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ABSTRACT

This report provides highlights and updates regarding state actions on child care, early education, and school-age care issues during 2001. It is intended to serve as a supplement to "State Developments in Child Care, Early Education, and School-Age Care 2000" and various reports published on this issue between 1997 and 1999. Information in the report was collected through written and telephone surveys with advocates or an administrator in each state. A draft was reviewed for verification by an advocate or a state child care administrator in each state. Following an introduction summarizing some of the findings and recent trends, the report provides information in the following areas for each state: (1) overall funding; (2) subsidy eligibility; (3) subsidy copayments; (4) subsidy reimbursement rates; (5) other subsidy policies; (6) tax credits; (7) training and compensation; (8) child care facilities; (9) licensing provisions; (10) infant and toddler care; (11) school-age care; (12) odd-hour care; (13) special needs care; (14) prekindergarten, Head Start, and collaboration; (15) early literacy; (16) other quality and supply initiatives; (17) planning and local involvement; (18) promoting business involvement; and (19) changes in child care administration. Information on respondents and related publications of the Children's Defense Fund complete the report. (Contains 8 data tables and 46 endnotes.) (KB)

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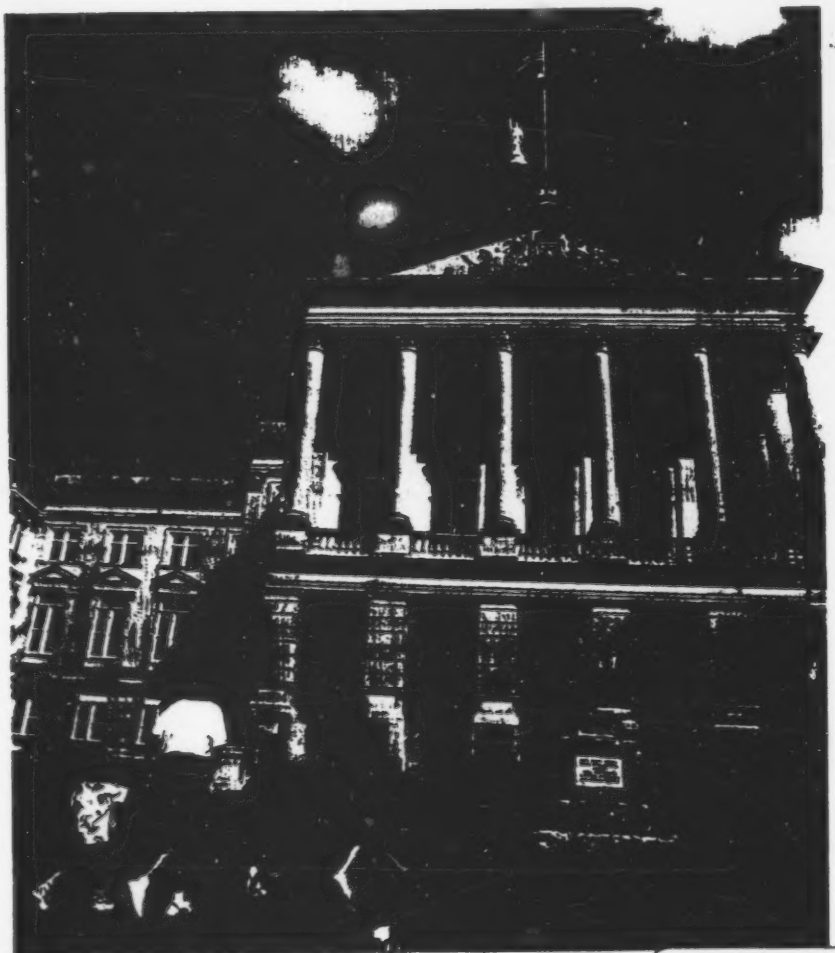
CHILDREN'S DEFENSE FUND

# STATE DEVELOPMENTS

## IN CHILD CARE, EARLY EDUCATION, AND SCHOOL-AGE CARE

## 2001



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## About the Children's Defense Fund

The mission of the Children's Defense Fund is to *Leave No Child Behind*® and to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start*, and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

CDF provides a strong, effective voice for *all* the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investments before they get sick or into trouble, drop out of school, or suffer family breakdown.

CDF began in 1973 and is a private, non-profit organization supported by foundation and corporate grants and individual donations. We have never taken government funds.

# STATE DEVELOPMENTS

## IN CHILD CARE, EARLY EDUCATION, AND SCHOOL-AGE CARE 2001

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CHILDREN'S DEFENSE FUND
April 2002

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# ABOUT THIS REPORT

This report provides highlights and updates regarding state actions on child care, early education, and school-age care issues during 2001. It is intended to serve as a supplement to *State Developments in Child Care, Early Education, and School-Age Care 2000*; *State Developments in Child Care and Early Education 1999*; *State Child Care and Early Education Developments: Highlights and Updates for 1998*; and *State Developments in Child Care and Early Education 1997*.

In this edition, we have included (where possible) a state-by-state snapshot of comparable state policies in particular areas. The data in these tables are correct as of June 1, 2001 (unless otherwise noted). Subsequent changes in state policies may be reflected in the text.

The information in this report was collected through written and telephone surveys with advocates and/or an administrator in each state. A draft was reviewed for verification by an advocate and/or a state child care administrator in each state.

# ACKNOWLEDGMENTS

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We appreciate the individuals who helped on this project. As always, we are deeply grateful to those in each state who continue to provide and verify the information that makes this report possible every year. Special thanks are due as well to the staff members and interns at CDF who contributed to this project, particularly Mary Bourdette and Elizabeth Alesbury, as well as Yolanda Norton, Wendy Rubin, Krystyn Schmerbeck, and Esteban Soto.

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# INTRODUCTION

The reauthorization of the Child Care and Development Block Grant in 2002 offers an important opportunity to help states meet the child care needs of their families and children. Research shows that as states have increasingly recognized that child care is critical to helping families work and children to succeed in school, investments in child care assistance have grown. Yet, they have not kept pace with the growing need for child care help as a striking number of parents have entered the workforce. Among families receiving welfare cash assistance, the proportion participating in paid employment or work activities grew from 11 percent in 1996 to 33 percent in 1999. Overall, employment among low-income single mothers with young children grew from 44 percent in 1996 to 55 percent in 1999.[1] Single parents and families in which both parents' income is necessary to make ends meet have no choice but to work so they can support themselves and their children. Strict new welfare requirements have placed even greater demands on parents to work. Yet, parents cannot get and keep a job if they do not have safe, reliable child care.

States have taken advantage of increases in the Child Care and Development Block Grant (CCDBG) as well as new Temporary Assistance to Needy Families (TANF) block grant funds to offer more families child care help. Following the passage of the welfare law in 1996, states more than doubled their spending on child care, largely through the increases in federal funds.[2] They used new funds to increase the number of families who receive child care assistance—recent data show that the families of 2.2 million children now have

help paying for child care.[3] Increased investments have also made it possible for states to lower fees for parents receiving assistance, raise reimbursements for providers, and support innovative efforts to improve the quality of care.

Yet even these sizeable investments are sorely insufficient in contrast to the growing need. Currently, only one in seven children eligible for child care assistance receives help.[4] At the end of 2001, one-third of the states had waiting lists, with more than 46,000 children in Florida, over 36,000 in Texas, and over 25,000 in North Carolina waiting for help. Four states no longer even take applications for help (known as "freezing intake") from some families. A 2001 study by the Children's Defense Fund demonstrates that between 1995 and 2000, many states either failed to improve their child care assistance policies or implemented more restrictive policies.[5] For example:

- Over half of the states' income limits declined or remained virtually flat as a percentage of state median income. According to a 2000 study by the Economic Policy Institute, an annual income below $28,300 for a family of three (200 percent of the federal poverty level) is generally insufficient to support a safe and decent standard of living.[6] Yet in two out of five states, families earning less than that—$25,000 a year—do not even qualify for help with child care.

- The proportion of states that reimburse providers at rates that reflect the current cost of care has not changed much since 1995. At that time, about half of the states set their reimbursement rates at the 75th percentile of an up-to-date market rate; in 2000, slightly more than half of the states set rates at this level.[7]

- In two out of five states, the amount of copayment or fee required for a family of three with one child in care and an income at the poverty level ($12,320 a year in 1994–95 and $14,150 a year in 2000–01) increased as a percentage of income from 1995 to 2000.

Over the past several years, states have also expanded their investments in prekindergarten and after-school initiatives. Yet, access to these programs remains limited, particularly among low-income children. Georgia is the only state that provides prekindergarten to all four-year-olds whose families want them to participate. Oklahoma is the only other state that has made significant strides toward making prekindergarten universally available. Nationwide, only 44 percent of children ages three to five and not yet in kindergarten who are in families with incomes below $15,000 a year are participating in public or private prekindergarten programs, compared with 71 percent of children in families with incomes of $75,000 or more.[8] Similarly, many

school-age children lack opportunities to participate in constructive after-school activities. Nearly seven million school-age children are home alone each week.[9]

In 2001, the economic downturn jeopardized states' ability to address these gaps in child care, early education, and school-age care. In many states, surpluses were suddenly replaced by deficits—forcing them to cut back in many areas, including child care assistance. As of January 2002, 45 states and the District of Columbia reported revenues below forecasted levels.[10] Nineteen states responded to the economic crisis with cuts to programs for low-income families and human services programs, including ten states that cut income support or employment support programs such as child care and job training. Another eight states made across-the-board cuts that will affect every program.[11]

In addition, there are signs that TANF funds, which have made many of the positive developments in child care possible,[12] may no longer be available for child care as states turn to TANF to provide basic cash assistance to families affected by the economic downturn. In 33 states, TANF caseloads increased between March and September 2001, and by the end of the 2001 fiscal year, state TANF outlays exceeded the amount of the basic TANF grant by more than $2 billion, a shortfall that states will have to fill.[13]

## Overview of State Investments in 2001

In 2001, states' efforts to address child care needs were supported by new federal funds in the Child Care and Development Block Grant, including $817 million in discretionary spending and $200 million in mandatory funds. Many states increased their own investments in child care and other early education efforts as well, but tight budgets forced a number of states to begin to cut back on spending.

- While 33 states reported increases in state funds for early care and education in 2001, much of this increase was needed to draw down the new federal funds.
- Seven states decreased state funds available for child care.
- Nine states made no change in their level of state investment.
- Seven states (Alabama, Louisiana, Mississippi, Oklahoma, Texas, Utah, and Wyoming) were unable to draw down all available federal funds because they decreased funding or failed to increase funding enough to fulfill the required match.

## A Mixed Picture for Child Care Assistance

The inconsistent patterns in state investments have produced a mixed picture for child care assistance policies designed to help low-income families pay for care. With increased investments, states have been able to improve families' access to child care assistance and to enact policies that make it easier for families receiving assistance to choose good quality care. Yet, all states continue to face sizeable gaps in their ability to help families with child care, and spending cuts in many are now widening these gaps.

The impact of inadequate investments on the number of families who can receive child care assistance is illustrated by Texas. In 2001, the state failed to provide a sufficient funding increase to maintain even the current level of support for low-income working families. In order to meet strict welfare work requirements, Texas will devote a larger proportion of its funds to serving families trying to move from welfare to work, which will cut back help for low-income families working to stay off welfare. Almost 6,000 fewer children in low-income (non-welfare) families are expected to receive child care assistance in 2003, as compared to 2001.

The level of funding also affects other aspects of child care assistance policies, including who is eligible for help, rates that providers are paid, and parent fees.

- Eight states raised income eligibility guidelines for child care assistance in 2001. However, in four of these states, eligibility guidelines were simply updated to reflect the current state median income or federal poverty guidelines. New Mexico significantly lowered income eligibility for families not receiving TANF assistance from 200 percent of poverty ($29,260 for a family of three) to 100 percent ($14,630 for a family of three). In 2002, West Virginia also plans to reduce its income cutoff for child care assistance from 200 percent of the federal poverty level ($29,260) to 150 percent ($21,945).
- Seven states took steps to lower copayments for some or all families receiving help. Of these, Massachusetts and West Virginia eliminated fees for families at the lowest end of the fee scale. However, Connecticut and North Carolina raised copayments for some families, making it more difficult for families with limited resources to afford child care, even with help. Connecticut now requires families at the lowest end of the income scale to pay fees.

- Half (26) of the states raised reimbursement rates for some or all categories of care. Yet, West Virginia cut funding for reimbursement rate bonuses for infant/toddler care for 2002.

## Some Important Steps Forward

In 2001, several states took notable steps in other child care, early education, and after-school policy areas. These included efforts to improve licensing requirements, support facility renovation and construction, expand prekindergarten opportunities, and enhance child care quality.

- Alabama revised its child care licensing standards to increase training requirements and other safety regulations, as well as to improve staff–child ratios over two years. The new standards include increased in-service training requirements for providers as well as new pre-service training requirements. Staff–child ratios have been adjusted to move closer to levels recommended by experts for all age groups by 2003. In addition, the state acted to improve the quality of care for children receiving child care assistance by requiring providers who are otherwise exempt from state licensing rules and who accept these children to certify that they meet licensing standards and other requirements. These include provisions regarding facilities, background checks, both pre-service and in-service training, and program content.
- Hawaii increased total funding for prekindergarten by $4.4 million in 2001. This included $2.5 million for a new Pre-Plus initiative that will build preschool facilities on public school land and support prekindergarten programs. The programs are expected to become accredited within three years of opening. They will be targeted to children in families with incomes below 185 percent of poverty, but will not be restricted to this group. The state also added nearly $1.9 million for Preschool Open Doors, almost doubling funding for the program.
- Oklahoma continued to expand its prekindergarten program, which is available to all children in districts that choose to offer a program. More than 50 percent of all four-year-olds attend either full- or part-day programs. State funding for prekindergarten increased by approximately $7 million, bringing total prekindergarten funding to $55 million for the 2000–01 school year.

- As of February 1, 2002, all child care providers participating in the subsidy program in Alaska are subject to new licensing requirements. All child care providers—even those providers otherwise exempt from licensing—must become licensed within 12 months of being approved to provide child care. Providers must comply with increased requirements for health and safety and immunizations. The state also made changes in staff–child ratios and training requirements for licensed child care staff and mandated fingerprinting for providers participating in the subsidy program.
- Four states—Hawaii, Kansas,[14] Michigan, and Nebraska—implemented new T.E.A.C.H. Early Childhood® Projects designed to improve recruitment and retention of child care providers. Alabama and Connecticut have plans to develop or implement similar programs in 2002. To further support child care workers, in 2001 Kansas, Oklahoma, and Wisconsin created or implemented new initiatives that provide funds to supplement the wages of caregivers who have early childhood education credentials.

## Steps Backward

Declining investments in child care, early education, and school-age care have already resulted in cutbacks in programs and services for families in a number of states in 2001 that will limit the availability of quality, affordable child care, early education, and school-age care.

- In Florida, the state legislature repealed the state prekindergarten program, choosing to leave it up to the discretion of the county Partnerships for School Readiness (local planning councils that are charged with coordinating and improving services for children zero to five) as to whether they will provide prekindergarten services. Local councils may choose not to provide prekindergarten services, which are critical to helping children prepare for school.
- In Massachusetts, the legislature's final budget made major cuts that affected both young and older children. The state's prekindergarten program, Community Partnerships for Children, sustained a cut of 7.5 percent with an increasing share of this program supported by TANF rather than state funds. Both a community-based after-school grant program and a grant program for cities with high numbers of at-risk youth were eliminated.
- Ohio, which had been a model state providing nearly universal access to Head Start programs for eligible three- and four-year-olds, is in the process of replacing all state funds with TANF funds, as well as decreasing the

overall budget available for Head Start. These choices could place children needing Head Start in an extremely precarious situation if more TANF funds are needed for basic cash assistance and fewer surplus TANF funds are available. The state will have to find new state funds for Head Start, reduce the number of children served, or decrease spending on other areas supported by TANF funds such as child care.

- Funding for the Michigan School Readiness program was reduced by $16.7 million for fiscal year (FY) 2002. This cut eliminated $16 million that was designed to extend the part-day program to a full-day program and reduced funds for evaluation of the program by $50,000, or 16 percent.
- North Carolina's Smart Start program will lose $7 million in FY 2002. Each local partnership is being asked to cut 3.45 percent in funding from either administration or services.
- In Iowa, budget cuts reduced funding by 30 percent for child care resource and referral services, which help families find child care and help community providers strengthen the quality of care.

## Troubling Signs

Initial signals from governors' budget proposals and legislatures' early actions in 2002 indicate that the outlook for investments in child care and early education is growing bleaker.

- While the California Governor's proposed budget for FY 2003 includes a small (4.9 percent) increase in child care funds, it also proposes substantial changes to the program that, if enacted, will make it more difficult for low-income families to get help and lower the quality of child care available to their children. First, the budget proposes reducing the income eligibility for child care assistance so fewer families will be able to get the support they need to work and to help their children learn. The proposal would lower eligibility from 75 percent of state median income ($35,100 for a family of 3) to between 60 ($28,080) and 66 percent ($30,888), depending on where the family lives. Parent fees will increase for families at all income levels, and families with the lowest incomes will now be required to pay a fee for child care, putting an additional financial burden on those with extremely limited resources. In addition, the budget proposes lowering reimbursement rates for providers, which would give providers a significant pay cut and wipe out their ability to make investments in quality. Parents who choose to stay with providers with higher rates

would be responsible for making up the difference—forcing them to further stretch their already limited incomes.

- Illinois' Governor proposes tightening the state's eligibility requirements, denying child care assistance to approximately 1,600 children who now qualify, and raising copayments for approximately 93 percent of families. In addition, he would eliminate the state's Early Childhood Block Grant, allowing individual school districts to either continue their prekindergarten programs or use the money to increase the funding available for K–12. There would be no requirement that districts use the money for preschool programs.
- Budget proposals in Massachusetts for FY 2003 would make cuts to child care programs, including a $3 million reduction in the child care program for low-income families.
- In Washington, the legislature enacted changes in the beginning of 2002 that will reduce the income eligibility cutoff for child care assistance from 225 percent of the federal poverty level ($32,918) to 200 percent ($29,260), effective April 1, 2002. This change will affect about 5 percent of all families currently receiving help paying for child care. In addition, parents' copayments will increase by $5 per month. Other cuts will affect programs that improve the quality of child care, including support for training programs for family child care providers and for TANF recipients interested in becoming child care providers. Middle-school youths whose parents are at work or are in training will also face the loss of after-school and weekend activities.

## Yet Studies Find Investments in Child Care and Early Education Are Critical for Family Success

The spending cuts for early care and education are particularly troubling given the growing consensus that young children must have strong early education experiences—both in the home and out of the home—to develop their learning skills and prepare for school. To highlight the importance of early learning, a White House Summit on Early Childhood Cognitive Development was held in the summer of 2001. In the fall, the American Federation of Teachers voiced its support for making quality prekindergarten available to all children whose parents want them to participate. Most recently, the Committee on Economic Development released a report calling for federal and state governments to make early education available to all children age three and older.

Studies released over the past year have reinforced the fact that investing in early care and education makes a difference. A recent evaluation of the Michigan School Readiness Program for at-risk four-year-old children found that participation in prekindergarten improves student performance in kindergarten, as well as five years later. In kindergarten, teachers rated children who had participated in the program significantly better than their peers who did not attend the program in language, literacy, logic, math, music, movement, creativity, social relations, and initiative. In fourth grade, 24 percent more program students passed the Michigan Educational Assessment Program (MEAP) reading test and 16 percent more passed the MEAP math test than their classmates who did not participate in the program. A third fewer program students had to repeat a grade than non-program students, saving the state $11 million annually.[15]

The benefits of quality early care and education were also demonstrated by preliminary findings from the National Institute of Child Health and Development (NICHD) in the latest stage of the Study of Early Child Care. The study found that children in higher quality care scored higher on tests for cognitive skills, language ability, vocabulary, and short-term memory and attention than children in lower quality care. Similarly, children from these higher quality environments were better able to get along with their peers, according to their caregivers. Specific aspects of quality that can be regulated, such as low child–staff ratios and adequate provider training, were shown to improve the overall quality of caregiving and were linked to children's positive intellectual and social development.

Yet research continues to indicate that these high quality early care and education programs are not available to most families—especially those low-income families with preschoolers. A study of child care centers in Massachusetts found that 57 percent of centers serving mostly moderate- and high-income children were rated as providing good quality care, while only 36 percent of centers serving mostly low-income children were rated as good.[16] Only 10 percent of classroom staff at centers serving predominantly low-income families had a two-year college degree or more, compared to 61 percent of classroom staff at centers serving moderate- to high-income families.

A survey of families in Philadelphia provides additional evidence of the challenges low-income families face in their search for quality child care options. Sixty-five percent of all parents reported that affordable, high quality child care was difficult to find; low-income parents were even more likely to report problems.[17]

Without the resources needed to support the development of their learning skills before they enter school, low-income children start kindergarten at a serious disadvantage. A recent study of kindergartners in North Carolina found that lower-income children were much more likely than their higher-income peers to have very low scores on measures of language skills (38 percent versus 6 percent) and early math skills (37 percent versus 9 percent).[18]

And it is not only children who are harmed when quality child care is not available. Studies have shown that the availability of child care and help paying for it are both critical factors in helping parents find and retain employment. In a survey of Minnesota families with children, one out of five said that child care problems had interfered with getting or keeping a job in the previous year.[19] A study of families who were potential subsidy users in Illinois found that nearly half felt that the cost of child care had negatively impacted their opportunities for employment.[20] A study of families leaving welfare in California demonstrated that when mothers received help paying for child care, the likelihood that they would be employed increased significantly.[21]

## Next Steps

In an environment of budget cuts, recession, and competing priorities, investments in child care, early education, and school-age care are threatened. The evidence is clear: failing to invest in these programs is a missed opportunity to help families work and children learn. Quality child care and early education boost children's chances for later success in school and help parents to get and keep a job to avoid dependence on welfare.

The 2002 reauthorization of the Child Care and Development Block Grant presents an important opportunity to increase investments in child care in order to help more families afford the quality child care they need to work and to help their children succeed. The Bush Administration budget ignores this critical moment and does not provide for any increase in child care spending—even to adjust for the rising cost of living—for five years while increasing work requirements for TANF families. Given the continuing gaps in early childhood, the nation's children and families cannot afford to take any steps backward.

In order to move forward at the federal and state level it is critical to:

- Support the Act to Leave No Child Behind (HR 1990/S940), comprehensive legislation that addresses each of the key areas affecting children's well-being, school readiness, and preparation for a productive and fulfilling adulthood.
- Increase funding for the Child Care and Development Block Grant (CCDBG) by $20 billion over five years to provide help to two million additional children. Investments in the quality and supply of child care and targeted funding for infant and toddler care should be significantly expanded given the serious gaps these areas. States should be encouraged to improve child care assistance by paying rates that make it possible for parents to choose quality care and by establishing responsive administrative policies to ensure that parents can easily apply for and receive child care assistance.
- Support expanded efforts to improve compensation and training for child care providers.
- Increase support for resource and referral programs to help families find child care, to strengthen the capacity of community child care providers, and to collect data.
- Support new funding to improve and expand child care facilities to ensure that children are in healthy, safe, and appropriate environments.

# OVERALL FUNDING

Since the passage of the welfare reform legislation in 1996, states have seen a large increase in federal funding for child care, early education, and school-age programs through the Child Care and Development Block Grant. Some have also invested new state funds in these programs and have used the flexibility of the Temporary Assistance to Needy Families (TANF) block grant to further expand child care assistance. States have used the new funds to improve eligibility, lower parent fees, increase provider reimbursement rates, and to provide more children and families with access to the child care they need for parents to work and for children to learn. However, recent data from the Department of Health and Human Services suggest that there is still tremendous unmet need for child care assistance, with only one in seven children eligible for assistance receiving any help.[22]

In 2001, states continued to invest in child care and early education, although most states only increased funds enough to meet federal match requirements. States also continued to rely heavily on TANF funds, through transfer to the CCDBG and through direct earmarks within the TANF block grant.

There are some early signs that states are beginning to reduce the state funds available for child care and to either cut programs or replace these general revenue funds with other dollars, such as tobacco settlement funds and TANF dollars. Several states did not access all federal funds available, leaving millions of dollars unspent.

At least 33 states reported that they increased state funds for child care, prekindergarten, and school-age care in 2001, including **Alaska, Arizona, Arkansas, California, Colorado, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Missouri, Montana, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington,** and **Wisconsin**. However, in some of these states the outlook for 2002 is mixed at best. For example, in **North Carolina**, the Smart Start program will be cut by $10.5 million in 2002.

In several states, the economic downturn has already had an impact on the availability of child care assistance. Seven states—**Alabama, Connecticut, Florida, Iowa, Maine, Nebraska,** and **Utah**—reported that they had reduced the amount of state funds available for child care and early education programs. **Arizona** and **Mississippi** reduced the amount of TANF funds available for child care. Seven states—**Alabama, Louisiana, Mississippi, Oklahoma, Texas, Utah,** and **Wyoming**—were not able to draw down all available federal funds, leaving thousands of families without access to help.

Some states, including **Iowa, Maine, Maryland, Massachusetts,** and **Ohio** offset reductions in state investments in the child care assistance program or in other programs with TANF funds. **Ohio** replaced more than $78 million in state investments in Head Start with TANF dollars.

**Alabama** decreased state funding in 2001 to bring total state funding to $10.2 million. The state was not able to draw down all federal funds available in FY 2001. It transferred $26.8 million (20 percent) from the TANF block grant to the CCDBG for child care in 2001. None of these funds replaced previous state investments.

**Alaska** increased state funding by $235,000 to bring total state funding to $6.4 million for child care in 2001. State funding did not exceed the amount required for the state match portion of the CCDBG. The state transferred $5.7 million from the TANF block grant to the CCDBG for child care ($3.2 million) and Head Start ($2.5 million). None of these funds replaced previous state investments.

**Arizona** increased funding by $2.7 million to bring total state funding to $20.5 million in state fiscal year (SFY) 2002. State funding did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $37.6 million from the TANF block grant to the CCDBG and earmarked $10.2 million within the TANF block grant for child care in 2002. This is an overall decrease of $16.7 million in TANF

funds available for child care. No TANF transfer to the CCDBG has been approved for SFY 2002.

**Arkansas** increased state general revenue funding for early care and education by $8.6 million to bring total state funding to $18.5 million. This includes $1.6 million in state funds for child care beyond the required state match for the CCDBG. The state made new investments in early care and education with a $1 million appropriation to improve child care accessibility for low-income parents and $1 million to provide match dollars for the Early Care and Education Trust Fund. The state cut the public school fund (state general revenue) investment in the Arkansas Better Chance (ABC) public prekindergarten program by $4.6 million. However, the cut was replaced, and overall state funding for the program increased by $2 million due to the passage of a dedicated 3 percent excise tax on beer.

The state estimates that the new tax will generate a total of $6.6 million in the first year and $9.7 million in 2002. Eighty percent of these funds is earmarked for the ABC public prekindergarten program. The remaining 20 percent is designated to serve low-income working families through the child care assistance program.

The state also transferred $12 million from the TANF block grant to the CCDBG to support families on welfare, those transitioning from welfare, and low-income families through the child care assistance system. In addition, the state earmarked $971,000 within the TANF block grant for Local Transitional Employment Assistance (TEA) Coalition Boards for families needing child care voucher assistance within their counties. None of these funds replaced previous state investments in early care and education.

An increase in public school teachers' salaries resulted in a loss of funding in most early childhood programs at the state Department of Education.

**California** increased funding by $171.7 million to bring total state funding for child care and early education to $1.2 billion in FY 2001. The increase exceeded the amount required for the state match portion of the CCDBG by approximately $5 million. The state transferred $286 million from the TANF block grant to the CCDBG for child care and earmarked $575 million within the TANF block grant for child care for families receiving TANF. None of these funds replaced previous state investments.

**Colorado** increased funding by $4 million to expand the Colorado Preschool Program by 1,000 slots, 500 of which may be used for full-day kindergarten, bringing total funding for the program to nearly $27 million. Many counties transferred funds from the TANF block grant to the CCDBG (this is done on a county-by-county basis), for a total transfer to CCDBG of $28 million. None of these funds replaced previous state investments.

**Connecticut** decreased child care funding in the Department of Social Services by approximately $7 million. However, the state increased funding for early childhood programs in the Department of Education by $150,000. Total state expenditures for child care included $73 million beyond the required state match for the CCDBG. The state also earmarked $17.5 million within the TANF block grant for child care. These funds did not replace a previous state investment in early care and education.

**Delaware** increased state funds for child care beyond that for the state match for the CCDBG by $615,000 to bring total state funding to $21.4 million in 2001. The state transferred $1.1 million (approximately 3.5 percent) from the TANF block grant to the CCDBG for child care. None of these funds replaced previous state investments.

The **District of Columbia's** total state funding for child care remained constant at $22.8 million. Funding did not exceed the amount required for the state match portion of the CCDBG. The District transferred $18.5 million from the TANF block grant to the CCDBG for child care assistance, to expand Head Start, and to expand its prekindergarten program's day and year. None of these funds replaced previous state investments.

**Florida** decreased state funding for the child care assistance program by $2.8 million to bring total state funding for early care and education to $210.3 million. State funding did not exceed the amount required for the state match portion of the CCDBG. The state transferred $150 million (23.4 percent) from the TANF block grant to the CCDBG for child care, and also earmarked nearly $158 million within the TANF block grant for child care. None of these funds replaced previous state investments.

**Georgia** increased funding by $16.2 million to bring total state funding to $53.6 million. The increased funding was targeted to child care subsidies. The state transferred $40 million from the TANF block grant to the CCDBG for child care direct services and special contracts. None of these funds replaced previous state investments.

**Hawaii** increased funding by $5.4 million to bring total state funding to $16.8 million for early care and education in 2001. The increase resulted in the state exceeding the amount required for the state match portion of the CCDBG by approximately $7 million. The new Pre-Plus program to build preschool facilities on public school land received $2.5 million of the new funds, although it is not expected that Pre-Plus will be implemented soon enough for all funds to be expended in 2002. Total state funds for the Preschool Open Doors Program nearly doubled for 2001, rising from $2.4 million to $4.3 million. The Good Beginnings Alliance received a $300,000 Grant-in-Aid from the Legislature, which doubled last year's appropriation.

The state transferred $5.6 million from the TANF block grant to the CCDBG for child care for working parents in 2001. None of these funds replaced previous state investments.

**Idaho** increased state funding for child care by $320,000 to bring the total state funding to $3.8 million in 2001. The only state funding available for child care is the amount required to draw down federal funds. The state transferred $8.3 million (27.5 percent) from the TANF block grant to the CCDBG for child care subsidies and spent an additional $4 million for child care subsidies for working families directly from the TANF block grant. None of these funds replaced previous state investments.

**Illinois** increased state funding by $8.2 million to bring total state funding for child care to $275 million in FY 2001. The state exceeded the amount required for the state match portion of the CCDBG by $157 million. The state also increased its investment in prekindergarten by $10 million to bring total funding to $180.2 million.

The state transferred $30.1 million (5 percent) from the TANF block grant to the CCDBG for child care subsidies. The state also earmarked $102.4 million within the federal portion of the TANF block grant for the child care subsidy program. None of these funds replaced previous state investments.

**Indiana** increased funding by $2.5 million to bring total state funding to $32.9 million. The increase did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $53.25 million from the TANF block grant to the CCDBG for child care and earmarked $48.9 million in state and federal dollars within the TANF block grant for child care. These funds did not replace previous state investments.

**Iowa** decreased funding for its Child Development programs by $634,000. In addition, the Community Empowerment Areas (CEA) School Ready Grants received a $1.1 million decrease in state funding. Tobacco settlement funds were used as a one-year only investment to make up the shortfall in the CEA program. The state did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $32.4 million from the TANF block grant to the CCDBG. This includes $3.8 million for Community Empowerment Areas and $28.6 million for child care assistance. Some of these funds replaced previous state investments.

**Kansas** increased state funds by $1.2 million to bring total state funding for child care to $15.3 million in fiscal year 2002. Of the total state funds spent in 2001, $1.4 million were from the state tobacco settlement fund. The state exceeded the amount required for the state match portion of the CCDBG by $7,500.

The state transferred $8.6 million (8.5 percent) from the TANF block grant to the CCDBG for child care subsidies ($5.2 million), Early Head Start ($3.2 million), licensing ($122,601), and child care grants ($12,000). None of these funds replaced previous state investments.

**Kentucky's** funding was increased by 5 percent to cover maintenance of effort requirements in 2001. The increase did not exceed the amount required for the state match portion of the CCDBG. In addition, Kentucky designated 25 percent, or $9 million, of its portion of tobacco funds to the Governor's early childhood initiative, KIDS Now, in SFY 2002.

The state transferred 30 percent from the TANF block grant to the CCDBG for child care in 2001. The state earmarked $18 million within the TANF block grant for child care. None of these funds replaced previous state investments.

**Louisiana's** state funding level for child care remained constant at approximately $5 million. The state did not pull down $7.7 million—one-third—of the federal funds available through the state match in the CCDBG for federal fiscal year 2001.

The state had been transferring the full 30 percent ($48.9 million) per year from TANF to CCDBG. However, in 2001 it transferred 4.25 percent of the 30 percent to the Social Service Block Grant (SSBG) and the remainder to CCDBG for child care assistance. None of these funds replaced previous state investments.

Louisiana earmarked $15 million of TANF funds for new preschool classrooms in the state's public schools, and an additional

$3 million for preschool classrooms in New Orleans' private and parochial schools. Another $3.6 million in TANF funds (and $1.4 million in tobacco settlement funds) is earmarked for Starting Points, a public school preschool program that was formerly funded through CCDBG.

**Maine** reduced state funding for child care by $4 million to bring the total to $8.7 million in FY 2002. This represents a $3.4 million reduction in tobacco funds and a $500,000 reduction in state general revenue funds. State funds for child care exceed the amount required for the state match portion of the CCDBG by $5.8 million.

The state transferred $2.5 million from the TANF block grant, replacing a previous state investment, to bring the total amount of TANF dollars transferred for child care to $5.8 million. The state also earmarked approximately $10 million in TANF funds for child care expenses for TANF recipients.

**Maryland** increased total state funding for child care by $3.8 million to $85.3 million. The increase did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $24.8 million from the TANF block grant to the CCDBG to expand child care programs and sustain quality improvements, with $500,000 of these funds replacing a previous state investment in an after-school program. In addition, it earmarked $17.8 million within the TANF block grant for child care.

**Massachusetts** increased state funding by $1.8 million to bring total state funding for early education to $133 million. State funds exceeded the amount required for the state match portion of the CCDBG by $63 million.

The state transferred $91.2 million (20 percent) from the TANF block grant to the CCDBG for a total of $187 million in funding within CCDBG for child care assistance and quality expenditures. The state also earmarked $170.3 million within the TANF block grant for welfare-related child care, including transitional families and for Community Partnerships. These funds replaced $52 million in previous state investments in the Community Partnerships programs.

Funding for the Safe and Healthy After-School Program was eliminated. Hundreds of programs and over 27,000 children and youths in these programs will be affected. The Targeted Cities program, which funds after-school programs for at-risk youth in 11 cities, was also cut. While $1.4 million for matching grants to specific youth-serving organizations was retained, the other monies were eliminated altogether.

**Michigan** decreased state funding by $14.3 million in FY 2001 to bring state funds for child care to $210.1 million. State funds exceed the amount needed to meet CCDBG match requirements.

The state also increased funding for the Michigan School Readiness Program by $29.4 million, to $101.8 million in fiscal year 2001. In FY 2002, the program has been cut by $16.7 million. This cut includes $16 million in funds that were designed to extend the part-day program to a full-day program and a reduction of $50,000, or 16 percent, for evaluation.

The state transferred $14.6 million from the TANF block grant to the CCDBG for child care, and earmarked $153.7 million within the TANF block grant for child care payments. None of these funds replaced previous state investments.

**Minnesota's** funding for early care and education remained the same as the last biennium.

The state transferred $9 million from the TANF block grant to the CCDBG for the sliding fee scale child care assistance program. None of these funds replaced a previous state investment in child care.

**Mississippi** provided only $2 million in state funding for child care. This was not enough to draw down all available federal CCDBG matching funds, and the state lost approximately $2 million. The state transferred 20 percent from the TANF block grant to the CCDBG to increase the number of child care certificates in the CCDBG. None of these funds replaced previous state investments.

The state earmarked more than $8 million within the TANF block grant to provide summer child care targeted to Head Start children who need full-year services. However, Mississippi had previously used an additional $21 million in TANF funds for 174 child care enhancement grants to child care providers. These funds were not available in 2001, resulting in a net loss of child care funds available to provide quality care for children of TANF recipients and those at risk of becoming TANF recipients.

**Missouri** decreased state general revenue available for early care and education by $8 million. However, due to the appropriation of $14 million in tobacco settlement funds for child care, there was a net increase of $6 million in funding for these programs, bringing total state funding to $80.7 million in 2001. Using tobacco funds, Missouri increased state funds for child care $6.5 million beyond that required for the state match for the CCDBG. The tobacco funds were also allocated to Parents As Teachers ($6.1 million); child care subsidies ($3.5 million); Early Head Start ($1.6 million); Department of Health quality/home visits ($1.3 million); community grants ($901,000); accreditation of Missouri Preschool Project sites ($365,000); a coordinating office ($243,000); and coordination of early childhood programs in rural areas ($243,000). There was a small increase in general revenues committed to the child care subsidy program, as well as an appropriation of $1.6 million of Early Childhood Development, Education and Care Fund (ECDEC, gaming revenues used for a special quality initiative) funding for subsidies. In SFY 2002, the state will use ECDEC funds to supplant general revenue funds supporting quality care through the Department of Health.

**Montana** increased state funding by $1.2 million. The state did not exceed the amount required for the state match portion of the CCDBG. The state transferred approximately $7 million from the TANF block grant to the CCDBG for child care. It earmarked at least $2 million within the TANF block grant for the Children as Scholars program which funds full-year/full-day programs that must meet Head Start performance standards. None of these funds replaced previous state investments.

**Nebraska** decreased funding by $2.7 million to bring total state funding for child care to $16.2 million in 2001. Total state funding includes $4.4 million beyond that required for the state match for the CCDBG.

The state earmarked $9 million within the TANF block grant for child care subsidies.

**Nevada's** total state funding for child care remained unchanged at $12 million. The state did not exceed the amount required for the state match portion of the CCDBG. The Governor's new budget includes $3.5 million in each year of the biennium for expansion of prekindergarten programs.

Nevada earmarked $1.4 million in TANF funds for child care. None of these funds replaced previous state investments.

**New Hampshire** increased state funding for child care by $446,000 to $10.2 million. The state did not exceed the amount required for the state match portion of the CCDBG in 2001.

**New Jersey** increased state funding by $69 million, or approximately $1,000 per child, for early education in the 30 Abbott school districts (the poorest districts in the state) to bring total state funding to $364 million, or $9,000 per child. The increase will help make programs available on a full-day, full-year basis in the Abbott districts. The new funds bring total state funding for child care and early education to $457 million. The increase did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $79.9 million (19.4 percent) from the TANF block grant to the CCDBG. The state also earmarked $219 million within the TANF block grant for child care assistance, including $5.4 million for Head Start centers providing Abbott services. These funds did not replace any previous state investments.

**New Mexico** maintained state funding at $7.1 million with no increase in state funds.

The state transferred $29 million from the TANF block grant to the CCDBG in 2001, including $2.4 million for the Department of Children, Youth and Families to support reimbursement rates for child care. The state also earmarked $6 million within the TANF block grant to expand Head Start services to TANF-eligible families. None of these funds replaced previous state investments.

In addition, the state legislature appropriated $500,000 for the Office of Child Development to expand community-based prekindergarten programs.

**New York's** funding for child care remained unchanged at $96 million in 2001.[23] State funding did not exceed the amount required for the state match portion of the CCDBG. In addition, New York in 2001 put $225 million in state funds into its Universal Pre-K (UPK) Program and another $50 million into its longstanding Experimental Pre-K (EPK) Program.

The state transferred $304 million from the TANF block grant to the CCDBG for child care assistance. In addition, the state transferred $71 million from a $200 million TANF reserve fund (created in SFY 2000–01) to the CCDBG. None of these funds replaced previous state investments.

**North Carolina** increased funding by $14.4 million to bring total state funding to $284.5 million in SFY 2001. All increases in state funds were in Smart Start (a statewide early education initiative). The increase did not exceed the amount required for the state match portion of the CCDBG. In 2002, the Smart Start program will be cut by $10.5 million, and unspent funds will no longer be allowed to be carried forward and spent in subsequent years.

The state transferred $72.9 million (24 percent) from the TANF block grant to the CCDBG for child care subsidies in 2001. The state earmarked $26.6 million within the TANF block grant for child care assistance for TANF-eligible children. None of these funds replaced previous state investments.

**North Dakota** increased funding by $171,000 to bring total state funding to $2.3 million for child care in 2001. The state did not exceed the amount required for the state match portion of the CCDBG in 2001.

**Ohio** increased state funding for child care by $2.1 million to bring total funding to $93.4 million in federal fiscal year 2001. Total state funding includes $685,000 beyond that required for the state match for the CCDBG.

The state transferred $136.6 million from the TANF block grant to the CCDBG for child care. The state also earmarked $28.4 million within the TANF block grant for child care assistance. None of these funds replaced a previous state investment.

The SFY 2002–03 biennial budget reduces the amount available for the state-funded Head Start program by $2 million to $98 million. The budget also removes state money and replaces it with TANF dollars. In SFY 2002, the Head Start program is funded with $22.7 million in state funds and $75.3 million from TANF. In SFY 2003, the program will be funded entirely with TANF dollars.

State funding for public school preschool remained constant at $19.5 million, as did the licensing program within the Department of Education at $1.5 million. Early Start, a home visiting program focused on children birth through age 3 and funded with TANF dollars received a funding increase of $10 million.

**Oklahoma** increased funding by $8.1 million to bring total state funding to $70.6 million. However, the state did not draw down an estimated $4.5 million of the federal funds available through the state match in the CCDBG for federal fiscal year 2001. State funding for the prekindergarten program, which increases automatically as enrollment increases, grew by approximately $7 million, up to $55 million for the 2000–01 school year.

The state transferred $29.7 million (20 percent) from the TANF block grant to the CCDBG. In addition, the state earmarked $25.8 million within the TANF block grant for direct child care subsidy payments. None of these funds replaced previous state investments.

**Oregon** increased funding for the 2001–03 biennium by $15.3 million for child care assistance ($1.3 million), Head Start/prekindergarten ($5.9 million), the First Birth Screenings program ($4 million), and In Home Support ($4.1 million) to bring total state funding to $77.3 million. The increase did not exceed the amount required for the state match portion of the CCDBG. The state investment also includes $22.6 million to expand eligibility for the state's Working Family child care tax credit and $1 million for a pilot Child Care Investment Tax Credit. The funds for prekindergarten were not made available as a direct allocation to the Department of Education as in the past. The state must document that at least $1.2 million in CCDBG funds have been committed for Head Start wrap-around services before the prekindergarten funds can be claimed.

The state also earmarked $7.5 million in the TANF block grant for child care. None of these funds replaced previous state investments.

**Pennsylvania** increased state funding by $3.5 million to bring total state funding to $118 million for subsidized child care, resource and referral services, training, and capacity building. The increase did not exceed the amount required for the state match portion of the CCDBG.

The state earmarked $30.2 million within the TANF block grant for subsidized child care for working TANF families. Pennsylvania's Department of Public Welfare will use $2 million in new federal TANF funds for technical assistance ($400,000) and start-up grants ($1.6 million) to state Head Start programs to convert half-day classrooms to expanded-day and/or expanded-year programs. None of these funds replaced previous state investments.

**Rhode Island** increased funding by $27.3 million to bring total state funding to $50.6 million for child care assistance. The state increased funds for child care beyond that required for the state match for the CCDBG by $26.7 million.

The state transferred $1 million from the TANF block grant to the CCDBG for the comprehensive child care services program. None of these funds replaced previous state investments.

**South Carolina** increased state funding for child care and prekindergarten by $870,000 to bring total funding to $11.7 million in 2001. The increase did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $1.3 million from the TANF block grant to CCDBG to enhance the child care regulatory function in the State Department of Social Services' Child Day Care Licensing Division. None of these funds replaced previous state investments.

**South Dakota** increased state funding for child care by $1 million to bring total funding to $2.4 million in 2001. The entire increase for child care exceeded the required state match for CCDBG.

The state transferred $4.4 million (20 percent) from the TANF block grant to the CCDBG for child care assistance for low-income families. None of these funds replaced previous state investments.

**Tennessee's** state funding for early care and education remained level at $33 million in 2001. State funding did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $57.3 million (30 percent) from the TANF block grant to the CCDBG for child care assistance. In addition, the state earmarked $21.7 million within the TANF block grant. This included $12.7 million for child care assistance and $9 million for prekindergarten. None of these funds replaced previous state investments.

**Texas** increased funding for child care by $7.8 million to bring total state funding to $48.7 million in 2001. State funding did not exceed the amount required for the state match portion of the CCDBG. The state does not plan to pull down all of the federal funds available through the state match portion of the CCDBG for FY 2001. In addition, the state allocated $274.6 million for prekindergarten.

The state transferred $35.5 million from the TANF block grant to the CCDBG for child care assistance. None of these funds replaced previous state investments.

**Utah** decreased funding by $2 million to bring total state funding to $6.8 million in federal fiscal year (FFY) 2001. The state does not plan to pull down $7.4 million of the federal funds available through the state match portion of the CCDBG for FFY 2001.

**Vermont** increased funding by $1.8 million to bring total state funding to $7.2 million in 2001. This supported a 10 percent rate increase for the state child care subsidy program and a new school-age expansion grant in the amount of $150,000. Vermont increased state funds for child care by $3 million beyond that required for the state match for the CCDBG.

The state transferred $8.6 million from the TANF block grant to the CCDBG to sustain a higher eligibility level for the subsidy program. In addition, the state earmarked $2.8 million within the TANF block grant to support legally exempt child care (informal child care arrangements for families eligible for the subsidy program). None of these funds replaced previous state investments.

**Virginia** increased state funding for child care by $281,000 to bring total funding to $42.9 million in 2001. The state did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $28.6 million (18 percent) from the TANF block grant to the CCDBG for child care. These funds did not replace a previous state investment in child care.

**Washington** increased state funding for child care by $4.9 million to $65.7 million in 2001. The state did not exceed the amount required for the state match portion of the CCDBG.

The state transferred $86.7 million (21.6 percent) from the TANF block grant to the CCDBG for child care. Washington also earmarked $87.4 million within the TANF block grant for child care. These funds did not replace a previous state investment.

**West Virginia** maintained state funding for child care at $5.4 million, the amount required to meet federal matching requirements for TANF and CCDBG.

The state earmarked nearly $27 million within the TANF block grant for the certificate program (child care assistance). None of these funds replaced previous state investments.

Educare received $2.5 million, a combination of CCDBG funds and $2 million from a legislative appropriation. Five pilot sites (county or multi-county) and a research component were funded to address gaps in the system for prekindergarten including implementation of sliding fee scales and staff income incentives, training, expansion of nontraditional-hour care, and community resource development.

**Wisconsin** increased funding by $10.7 million to bring total state funding for child care to $27.1 million in 2001. This includes $3.7 million allocated from the CCDBG to Head Start.

The state transferred $77.2 million from the TANF block grant to CCDBG for child care and earmarked $107.3 million in the TANF block grant for child care. None of these funds replaced previous state investments.

**Wyoming** maintained state funding for child care at $1.5 million. The state does not plan to pull down approximately $2.2 million of the federal funds available through the state match portion of the CCDBG for 2001.

The state transferred 20 percent of the TANF block grant funds to the CCDBG and $1.42 million to the Department of Education to provide prekindergarten for economically disadvantaged preschool children. None of these funds replaced previous state investments.

# SUBSIDY ELIGIBILITY

Help in paying for child care is critical to many low-income families' ability to get and maintain employment. State child care assistance programs can provide that help, although limited resources force most states to set eligibility criteria that limit families' access. Studies show that when child care is available, and when families can get help paying for the care that they need, they are more likely to work.

States often set their income eligibility guidelines relatively low in order to target resources toward the poorest families, and require families to meet employment and other criteria that limit who gets help. However, this approach can deprive many families with relatively low incomes of child care assistance.

Even when families are eligible for help, they often are unable to receive it. Long waiting lists for child care assistance exist in at least a third of the states, with nearly 47,000 children in **Florida** and over 25,000 in **North Carolina** waiting for help. Four states have frozen intake applications for assistance for some families. As a result, these families are forced to make difficult choices. They may lose their savings and their jobs, turn to welfare, or settle for lower quality or less stable care because they cannot afford better options.

In 2001, eight states raised income eligibility guidelines for child care assistance, including **Arkansas**, the **District of Columbia**, **Maryland**, **New Hampshire**, **Oklahoma**, **Virginia**, **Washington**, and **Wyoming**. **Arkansas**, **New Hampshire**, **Virginia**, and **Washington** did so by updating eligibility to reflect the current state median income or federal poverty guidelines. In addition, several states broadened eligibility by allowing new categories of families to apply. States also made important changes in other areas of

eligibility. **Alabama**, **Arkansas**, and **Kansas** each made changes in work requirements to make it easier for families to get child care assistance. **Oklahoma** and **Rhode Island** now allow families to be eligible while searching for a job. The **District of Columbia** also extended eligibility for child care while searching for a job to a limited number of families. **Oregon** implemented a new policy making 12-year-olds ineligible for child care assistance unless they have special needs or special circumstances.

At the same time, **New Mexico** lowered eligibility for families not receiving TANF assistance from 200 percent of poverty ($29,260 for a family of three) to 100 percent of poverty ($14,630 for a family of three).

Once families begin receiving help paying for child care, state policies determine whether it is simple to retain that help. The recertification process, in which the state requires a family to show that they are still eligible for help, can be extremely burdensome and may cause families to lose assistance—and possibly their jobs. Several states took promising steps this year to extend the time between each required recertification. The **District of Columbia**, **Kansas**, and **Michigan** all increased the period of recertification from six months to one year. **Nevada** also took positive steps, increasing the period from three to six months. **South Dakota** now allows families of children enrolled in Head Start to continue to receive their child care assistance for the entire Head Start year. However, **Mississippi** passed new rules requiring families to prove continued eligibility more, rather than less, often.

## New State Action 2001: State by State Details

**Alabama** decreased the number of hours a parent must actively participate in employment, education, or training to receive child care assistance from 20 to 15 hours per week.

**Arizona** changed child care subsidy eligibility rules and practices by allowing JOBS program participants (individuals participating in a work activities program related to the receipt of TANF cash assistance) to receive child care subsidies for JOBS orientation meetings.

**Arkansas** decreased the number of college hours required of students to qualify for child care help from 15 to 12 hours per week. The state also eliminated an asset test for income eligibility and updated the income eligibility limit to 60 percent of the current state median income level. State legislation also gave the Transitional Employment Assistance Board (which has oversight responsibility for TANF) authority to take any or all of the following actions if there is a shortage of child care funds: institute a copayment, set a

lifetime limit for child care for welfare families, and limit the funds available to serve low-income families.

The **District of Columbia** increased eligibility from 220 to 250 percent of the federal poverty level and allowed eligible families to remain in the system until they reach 300 percent of the poverty level. Eligibility will be reviewed once a year instead of every six months. The District also provides up to 12 weeks of full-time child care for families who are in the Structured Job Search Program through the District's Department of Employment Services. There is no parent fee for these customers.

**Illinois** eliminated "backdating" eligibility, which allowed families to be reimbursed for child care expenses incurred up to two months before they applied for a child care subsidy. Families will now only receive subsidies from the date of the parent's signature on the application or one week prior to the stamped date of receipt by the local resource and referral agency (whichever is later).

**Kansas** modified the eligibility requirements for employed parents who want child care while in training. Employment requirements were reduced to 20 hours per week (previously a parent who wanted child care for training had to be working at least 35 hours per week as well). The state also eliminated the requirement of prior work (previously, a parent who wanted child care for training had to show that they had worked an average of at least 25 hours weekly during the past six-month period). In addition, the state provided more flexibility in the types of training or education that qualify parents for child care help. Education or training must now simply be skill-specific or create greater earning potential. In addition, a child care plan may be authorized for parents within one semester of completing their Bachelor's degree.

Kansas eliminated the application requirement for families receiving child care for TANF Work Program activities who transition off cash assistance into employment. The state also eliminated the requirement for Social Security numbers to be provided by the family in order to be considered eligible for a child care subsidy, per federal program instruction.

Kansas will review parents' child care plans every 12 months rather than requiring a desk review at six months.

**Louisiana** now requires that all countable work hours be paid at least the federal minimum hourly wage. Parents must earn minimum wage in order to be eligible for child care assistance.

**Maryland** expanded income eligibility for child care assistance as of January 1, 2002, from 45 to 50 percent of the state median income (SMI).

**Massachusetts'** Office of Child Care Services (OCCS) helped low-income families retain child care assistance by revising the OCCS Income Eligible Enrollment Priority Policy to include preschool children who reach five and are no longer eligible for a Department of Education Community Partnerships for Children (CPC) slot, as well as their siblings. CPC-funded child care has higher income eligibility than OCCS-funded child care. Under the new rules, if the family meets the OCCS income-eligible requirements and can document that their income was 50 percent or less of the SMI at initial intake into the Community Partnership

Program, they are eligible to receive OCCS-funded low-income child care. The state holds a certain number of slots within the low-income child care program to ensure that these families are not placed on a waiting list.

In addition, children who are no longer eligible for OCCS supportive child care because their abuse or neglect case with the Department of Social Services (DSS) is closing, are now eligible for immediate access to low-income child care if their family meets the OCCS income-eligible service need and income requirements.

OCCS has also developed new, flexible contracting policies for teen parent child care programs. Providers are now required to work with other teen services to avoid duplicating services and to better meet each teen's individual needs.

**Michigan** changed eligibility rules to allow teen parents to qualify based on their income rather than the income of their families. The Family Independence Agency no longer requires applicants to provide verification of their child's identity. The state has streamlined the eligibility process and reduced the paperwork involved in opening a child care subsidy case in other ways as well. The case is now opened and remains valid for the month while the worker processes paperwork on the information system. Eligibility can begin 30 days prior to the application provided a need for child care existed, the child was in care, and the parent was eligible. The state has also increased the period for eligibility redetermination from six months to one year for all families.

**Mississippi** had amended its state plan for CCDBG to allow for annual eligibility determination in 2000. However, in 2001, the state reverted to a six-month eligibility determination.

**Nevada** changed eligibility rules so that eligibility reviews will be done every six months instead of every three months.

**New Hampshire** adjusted eligibility for child care scholarships (subsidies) to match the annual update to the federal poverty level. Eligibility remains at 190 percent of poverty. The state also extended scholarships to families leaving TANF who remain Medicaid-eligible.

**New Jersey** Cares for Kids (NJCK) child care subsidy eligibility is currently 200 percent of the federal poverty level. As of January 3, 2001, upon completion of 24 months of transitional child care, a family whose gross annual income is greater than 200 percent, but less than 250 percent, of the federal poverty level will remain eligible to receive help.

**New Mexico** lowered the eligibility cutoff for non-TANF families from 200 to 100 percent of the federal poverty level ($14,630 for a family of three). The new income cutoff does not apply to families receiving TANF, who are guaranteed assistance for child care, or parents whose child care cases were open prior to August 1, 2001.

**New York** enacted a seamless child care bill into law requiring that child care be provided to welfare recipients between breaks in activities. It will eliminate the application requirement when a person leaves financial assistance-related child care and moves to transitional child care; it will also permit social services districts to pay for child care for parents attending post-secondary educa-

tion, so long as they are working 17 hours per week. The bill will become effective June 2002.

**North Carolina** implemented a new policy requiring counties to offer child care to support a child's developmental needs and child welfare services if funding is available. Previously, county agencies administering the subsidy program were required to offer subsidies to eligible families to support employment, education or training, and child protective services. Offering child care subsidies to support a child's developmental needs or child welfare services was optional. The state also removed a 12-month limit on the provision of child care for children receiving protective services. There is no longer a maximum time frame for providing child care, as long as a family is receiving child protective services and child care is needed as a part of the family's treatment plan.

In addition, North Carolina counties will be required to contact families on waiting lists for subsidies every six months instead of once per year to verify continued need for services and eligibility. Quarterly contact with families is encouraged.

**Oklahoma** increased the income eligibility level for families with at least two children in care to a maximum of 82 percent of state median income as of October 1, 2001. As of January 1, 2002, non-TANF families receiving a child care subsidy may continue to receive the subsidy for up to 30 days for job search purposes if they lose their job or finish schooling.

**Oregon** implemented a new policy making 12-year-olds ineligible for child care assistance unless they have special needs or special circumstances.

**Rhode Island** added short-term special approval care and job search child care for income-eligible families.

**South Dakota** changed an administrative rule to permit children who are adopted from the state's custody to be eligible for child care assistance without regard to their adoptive parent's income.

Effective November 2000, the child care subsidy for children in full-day/full-year Head Start is now continuous for one full year.

**Virginia's** sliding fee scale was updated to reflect current federal poverty level figures.

**Washington** adjusted income guidelines so that families at or below 225 percent of the new federal poverty level could be eligible. The state also now allows children who are living with non-relatives and receiving TANF to be eligible for child care.

**Wisconsin** extended eligibility for child care subsidies for parents participating in Department of Vocational Rehabilitation programs, provided they have an Individual Plan for Employment and meet other eligibility requirements.

**Wyoming** increased the income eligibility limit from 133 percent to 185 percent of the federal poverty level.

## Table 1. Income Eligibility Policies as of June 1, 2001

| State | Maximum Annual Income | State Income Cutoff (FY 2001) | | Notes |
|---|---|---|---|---|
| | | As percent of SMI | As percent of federal poverty guidelines | |
| Alabama | $18,048 | 41% | 123% | Families already receiving assistance can continue doing so until their annual income reaches $27,756. |
| Alaska | $44,328 | 75% | 303% | |
| Arizona | $23,364 | 52% | 160% | Maximum increased to $24,156 effective July 1, 2001. |
| Arkansas | $23,523 | 60% | 161% | Income cutoff shown here takes into account $100 per month deduction for each working parent. |
| California | $35,100 | 66% | 240% | Families who were receiving assistance as of Jan. 1, 1998 can continue doing so until their annual income reaches $46,800. |
| Colorado | $19,020-$32,000 | 36%-60% | 130%-219% | Localities set their own cutoffs within state guidelines. |
| Connecticut | $47,586 | 75% | 325% | |
| Delaware | $29,260 | 53% | 200% | |
| District of Columbia | $34,700 | 66% | 237% | Families already receiving assistance can continue to do so until annual income reaches 300% of the FPL. |
| Florida | $20,820 | 45% | 142% | Families may enter the program with annual incomes of up to 150% of the FPL. They may stay in the program and receive assistance up to 200% of the FPL. While the School Readiness Statute states that a child may remain in a program up until the age of kindergarten, the expectation is that the parent will assume the full fee costs when the family income exceeds 200% of poverty. |
| Georgia | $24,278 | 50% | 166% | |
| Hawaii | $46,035 | 83% | 315% | Income cutoff shown here takes into account 20% deduction of all countable income. |
| Idaho | $20,472 | 51% | 140% | |
| Illinois | $24,243 | 43% | 166% | Income cutoff shown here takes into account 10% earned income deduction. |
| Indiana | $20,232 | 41% | 138% | |
| Iowa | $19,812 | 41% | 135% | Families eligible for FIP receive child care assistance as long as they receive FIP benefits. |
| Kansas | $27,060 | 56% | 185% | |
| Kentucky | $24,140 | 55% | 165% | |
| Louisiana | $29,040 | 75% | 205% | Data are as of March 15, 2000. |
| Maine | $36,452 | 75% | 249% | |
| Maryland | $25,140 | 40% | 172% | |
| Massachusetts | $28,968 | 48% | 198% | Families already receiving assistance can continue to do so until annual income reaches $49,248. |
| Michigan | $26,064 | 47% | 178% | |
| Minnesota | $42,304 | 76% | 289% | |
| Mississippi | $30,999 | 77% | 212% | |
| Missouri | $17,784 | 37% | 122% | |
| Montana | $21,948 | 51% | 150% | |

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## Table 1. Income Eligibility Policies as of June 1, 2001 *(continued)*

| State | Maximum Annual Income* | State Income Cutoff (FY 2001) | | Notes |
|---|---|---|---|---|
| | | As percent of SMI | As percent of federal poverty guidelines | |
| Nebraska | $25,260 | 54% | 173% | |
| Nevada | $33,420 | 67% | 228% | |
| New Hampshire | $27,797 | 50% | 190% | One year extended eligibility for families leaving TANF and eligible for Medicaid. |
| New Jersey | $29,260 | 46% | 200% | Families already receiving assistance can continue to do so until annual income reaches $36,575. |
| New Mexico | $28,300 | 75% | 191% | As of August 1, 2001, New Mexico lowered eligibility requirements for non-TANF families to 100% of poverty. Parents whose child care cases were open prior to August 1, 2001 will not be affected by this new regulation. |
| New York | $28,644 | 61% | 202% | Data are as of March 15, 2000. |
| North Carolina | $32,628 | 69% | 223% | |
| North Dakota | $29,556 | 63% | 202% | |
| Ohio | $27,066 | 57% | 185% | |
| Oklahoma | $29,040 | 66% | 198% | |
| Oregon | $27,060 | 60% | 185% | |
| Pennsylvania | $29,260 | 58% | 200% | Families already receiving assistance can continue to do so until annual income reaches $34,381. |
| Rhode Island | $32,918 | 61% | 225% | |
| South Carolina | $21,225 | 45% | 145% | Families already receiving assistance can continue to do so until annual income reaches $24,763. |
| South Dakota | $22,826 | 52% | 156% | Income cutoff shown here takes into account 4% earned income deduction. |
| Tennessee | $24,324 | 56% | 166% | |
| Texas | $21,228–$36,516 | 47%–82% | 145%–250% | Localities set their own income cutoffs within state guidelines. |
| Utah | $25,848 | 60% | 164% | Income cutoff shown here takes into account $100 per month work deduction per adult and a $100 per month standard medical deduction. |
| Vermont | $31,032 | 64% | 212% | |
| Virginia | $21,948–$27,060 | 41%–50% | 150%–185% | Depending on the region of the state in which they live, a family of 3 would be subject to an income cutoff of $21,948 per year, $23,400 per year, or $27,060 per year. |
| Washington | $32,916 | 63% | 225% | |
| West Virginia | $28,296 | 75% | 193% | |
| Wisconsin | $27,060 | 51% | 185% | Families already receiving assistance can continue to do so until annual income reaches $29,256. |
| Wyoming | $21,948 | 47% | 150% | Families already receiving assistance can continue to do so until annual income reaches $27,060. |

* For a three-person family (a single mother with two children) to qualify for child care assistance.

*Source:* Data in this table are based on information obtained through surveys and interviews of state child care administrators and advocates.

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## Table 2. Waiting List and Frozen Intake Data as of December 1, 2001

| State | Does the state have a waiting list for child care assistance? Or had the state stopped accepting subsidy applications from any families? |
|---|---|
| Alabama | Yes, 5,089 children on the waiting list[1] |
| Alaska | Yes, 588 children on the waiting list |
| Arkansas | Yes, 8,000 children on the waiting list |
| Arizona | No |
| California | Yes, an estimated 280,000 children on the waiting list |
| Colorado | Yes, four counties have a waiting list, and four counties have frozen intake |
| Connecticut | The state does not have a waiting list at this time, but it has frozen intake.[1] |
| Delaware | No |
| District of Columbia | Yes, 9,124 children on the waiting list[2] |
| Florida | Yes, 46,800 children on the waiting list |
| Georgia | Yes, 16,099 children on the waiting list |
| Hawaii | No |
| Idaho | No |
| Illinois | No |
| Indiana | Yes, 11,958 children on the waiting list, and in counties that ran out of funding, subsidy applications were no longer being accepted |
| Iowa | No |
| Kansas | No |
| Kentucky | No |
| Louisiana | No |
| Maine | Yes, 2,000 children on the waiting list |
| Maryland | No |
| Massachusetts | Yes, 18,000 children on the waiting list |
| Michigan | No |
| Minnesota | Yes, 4,735 children on the waiting list |
| Mississippi | Yes, 10,422 children on the waiting list |
| Missouri | No |
| Montana | Varies by resource and referral district |
| Nebraska | No |
| Nevada | No |
| New Hampshire | No |
| New Jersey | Yes, 9,800 children on the waiting list[3] |
| New Mexico | No |
| New York | Yes, data not available on number of children on the waiting list |
| North Carolina | Yes, 25,363 children on the waiting list |
| North Dakota | No |
| Ohio | No |
| Oklahoma | No |
| Oregon | No |
| Pennsylvania | Yes, 540 children on the waiting list |
| Rhode Island | No |

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**Table 2. Waiting List and Frozen Intake Data as of December 1, 2001 *(continued)***

| State | Does the state have a waiting list for child care assistance? Or had the state stopped accepting subsidy applications from any families? |
|---|---|
| South Carolina | No |
| South Dakota | No |
| Tennessee | Yes, 9,388 children on the waiting list, and the state has frozen intake for low-income families not in the TANF or Transitional Child Care Program |
| Texas | Yes, 36,799 children on the waiting list |
| Utah | No |
| Vermont | No |
| Virginia | Yes, 4,255 children on the waiting list[7] |
| Washington | No |
| West Virginia | No |
| Wisconsin | No |
| Wyoming | No |

[1] As of November 2001.

[2] A waiting list will be implemented in Connecticut in July 2002.

[3] Because of the geographic region of the metropolitan Washington area, some children on waiting lists in the District may be residents of Maryland or Virginia.

[4] As of March 11, 2002.

[5] As of January 1, 2001.

*Source*: Data in this table are based on information obtained through surveys and interviews of state child care administrators and advocates.

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# SUBSIDY COPAYMENTS

State child care assistance programs include a sliding fee scale that requires many parents receiving help to pay something toward the cost of care. The amount that the state requires a parent to pay impacts whether a parent can find and afford the quality care they need to work and help their children learn. It determines whether child care assistance truly helps relieve the financial burden for low-income families or whether families receiving help must still struggle to pay bills and meet their basic needs. A sliding fee scale that imposes high fees on parents can make child care unaffordable even for parents receiving assistance, interfering with a parent's ability to work. High fees may also limit the choices for child care that parents have, making higher quality care inaccessible. When fees are reasonable, they can help ensure that parents are contributing to the cost of care while making a range of care options available to them.

Census data show that non-poor families pay an average of 7 percent of their income for child care. Low-income families receiving child care assistance should not be required to contribute a larger proportion of their income toward the cost of child care. Families at or below poverty, who have additional demands on their limited resources, should not be required to pay any fees toward the cost of care.

In 2001, the states were mixed in their approaches to sliding fee scales. Seven states, including **Alabama**, the **District of Columbia**, **Massachusetts**, **Nevada**, **New Jersey**, **West Virginia**, and **Wyoming** all took steps to lower copayments for some or all families receiving help in their states. **Massachusetts**

and **West Virginia** eliminated fees for families at the lowest end of the fee scale, although **West Virginia** raised fees for families at the top of the income scale.

However, two states—**Connecticut** and **North Carolina**—raised the copayments for some families, making it more difficult for families with limited resources to afford child care. **Connecticut** now requires families at the lowest end of the income scale to pay a fee. While no change was made in 2001, **Arkansas** passed legislation that will allow a copayment to be instituted for the poorest families if there is a shortage of child care funds. **Ohio** now requires county departments of job and family services to reassess the parent copayment every six months, reversing a policy that had stabilized parent copayments for a 12-month period.

## New State Action 2001: State by State Details

**Alabama** reduced copayments for parents who have more than one child needing care, effective January 2002.

**Arkansas** passed legislation giving the Transitional Employment Assistance Board (which has oversight responsibility for TANF) the authority to take several actions including instituting a copayment for the poorest families if there is a shortage of funds.

**Connecticut** approved new regulations for its child care subsidy program (now called Care 4 Kids) which became effective on January 1, 2002. Families with no earnings will not be required to pay a fee. Families with earnings, including those on cash assistance, will be required to contribute to the cost of child care. The copayment level will range from 2 percent to 1 percent depending on the countable earnings. Families will be charged the same fee regardless of the number of children in care.

The **District of Columbia** implemented changes to parent copayment levels in 2001. The sliding fee scale assures that no more than 10 percent of total annual household income is spent on child care copayments. Copayments are only charged for the first two children in a family. There are no copayments for additional children in the same family receiving child care assistance. Families participating in the Structured Job Search Program and receiving help paying for child care do not have to pay a fee.

**Kansas** updates the sliding fee scale every May to keep current with new federal poverty guidelines. Copayments as a percent of family income cannot exceed 11 percent.

**Massachusetts** revised its sliding fee scale for child care. Effective July 1, 2001, families at or below the federal poverty level do not pay any fee for child care. Additionally, the state adjusted the sliding fee scale, which in effect changed the dollar amount parents pay and lowered fees for many families.

**Nevada** implemented a new sliding fee scale as of October 1, 2001 to eliminate copayments for families at the poverty level, up to state maximum rates.

**New Jersey** eliminated copayments for families receiving full-day prekindergarten services in the Abbott districts, poor districts required to offer prekindergarten for all children.

**New Mexico** implemented slight increases in particular copayment categories because of their updating of copayment levels. The copayments do not exceed 10 to 12 percent of a family's gross income.

**North Carolina** raised the copayment amounts from 7 to 9 percent of income to 8 to 10 percent of income effective October 2001. The change increased the fees by family size as follows: for a family of one to three from 9 to 10 percent, for a family of four to five from 8 to 9 percent, and for a family of six or more from 7 to 8 percent.

**Ohio** now requires county departments of job and family services to reassess the parent copayment every six months. This reverses the policy, established two years ago, that had stabilized parent copayments for a 12-month period.

**South Carolina** updates the sliding fee scale every October to keep current with new federal poverty guidelines.

**Utah** is exploring changes in how copayments are determined. The state adjusted its sliding fee scale based on the updated state median income.

**Virginia's** sliding fee scale was updated to reflect current federal poverty level figures.

**West Virginia** changed copayment amounts by raising some and lowering others, as a result of changes in eligibility limits. In October 2001, the state revised the sliding fee scale based on an increase in the guidelines to 200 percent of the 1999 federal poverty level. In doing so, the sliding fee scale was revised. The scale is designed so that families do not pay in excess of 10 percent of income in fees, but the percent of income increases as income increases and parents with additional children are asked to pay more of their income in fees. An additional one-quarter percent was added for each additional 10 percent of income earned. In order to keep that progression of income with six new income brackets added to the scale, the state reduced the percentage of income that people at the lowest end of the scale were required to pay and increased the percentage at the top.

**Wyoming** decreased copayments for families between 110 and 150 percent of the federal poverty level.

## Table 3. Parent Copayment Policies as of June 1, 2001

| | Family of Three Earning | | | |
|---|---|---|---|---|
| | 100% of 2001 Federal Poverty Level ($14,630/Year) | | 150% of 2001 Federal Poverty Level ($21,945/Year) | |
| State | Monthly Parent Fee | Fee as % of Annual Income | Monthly Parent Fee | Fee as % of Annual Income |
| Alabama | $65 | 5% | $215 | 12% |
| Alaska | $14 | 1% | $71 | 4% |
| Arizona | $65 | 5% | $217 | 12% |
| Arkansas | $0 | 0% | $224 | 12% |
| California | $0 | 0% | $0 | 0% |
| Colorado | $113 | 9% | $185 | 10% |
| Connecticut | $49 | 4% | $110 | 6% |
| Delaware | $55 | 5% | $159 | 9% |
| District of Columbia | $32 | 3% | $91 | 5% |
| Florida | $69 | 6% | $104 | 6% |
| Georgia | $21 | 2% | $139 | 8% |
| Hawaii | $0 | 0% | $38 | 2% |
| Idaho | $65 | 5% | Not eligible | N/A |
| Illinois | $134 | 11% | $134 | 7% |
| Indiana | $0 | 0% | $154 | 8% |
| Iowa | $22 | 2% | Not eligible | N/A |
| Kansas | $22 | 2% | $162 | 10% |
| Kentucky | $97 | 8% | $177 | 9% |
| Louisiana* | $49 | 4% | $114 | 6% |
| Maine | $97 | 8% | $183 | 10% |
| Maryland | $46–90 | 3%–7% | $121–236 | 7%–13% |
| Massachusetts | $40 | 3% | $160 | 9% |
| Michigan | $24 | 2% | $24 | 1% |
| Minnesota | $5 | <1% | $53 | 3% |
| Mississippi | $47 | 4% | $105 | 6% |
| Missouri | $43 | 4% | Not eligible | N/A |
| Montana | $49 | 4% | $256 | 14% |
| Nebraska | $30 | 2% | $129 | 7% |
| Nevada | $0 | 0% | $281 | 15% |
| New Hampshire | $0 | 0% | $2 | <1% |
| New Jersey | $71 | 6% | $133 | 7% |
| New Mexico | $47 | 4% | $115 | 6% |
| New York* | $4 | <1% | $191 | 10% |
| North Carolina | $106 | 9% | $159 | 9% |
| North Dakota | $158 | 13% | $293 | 16% |
| Ohio | $43 | 4% | $88 | 5% |
| Oklahoma | $54 | 4% | $146 | 8% |
| Oregon | $90 | 7% | $319 | 17% |
| Pennsylvania | $65 | 5% | $152 | 8% |

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## Table 3. Parent Copayment Policies as of June 1, 2001 *(continued)*

| | Family of Three Earning | | | |
|---|---|---|---|---|
| | 100% of 2001 Federal Poverty Level ($14,630/Year) | | 150% of 2001 Federal Poverty Level ($21,945/Year) | |
| State | Monthly Parent Fee | Fee as % of Annual Income | Monthly Parent Fee | Fee as % of Annual Income |
| Rhode Island | $0 | 0% | $19 | 1% |
| South Carolina | $43 | 4% | $77 | 4% |
| South Dakota | $0 | 0% | $365 | 20% |
| Tennessee | $39 | 3% | $112 | 6% |
| Texas | $109–170 (set by localities) | 9%–14% | $165–256 (set by localities) | 9–14% |
| Utah | $36 | 3% | $220 | 14% |
| Vermont | $0 | 0% | $123 | 7% |
| Virginia | $122 | 10% | $183 | 10% |
| Washington | $20 | 2% | $87 | 5% |
| West Virginia | $27 | 2% | $54 | 3% |
| Wisconsin | $61 | 5% | $160 | 9% |
| Wyoming | $10 | 1% | $98 | 5% |

* Data are as of March 15, 2000.

*Note:* For states that calculate their fees as a percentage of the cost of care, it was assumed that the family was purchasing care at the state's maximum reimbursement rate for licensed, non-accredited center care for a four-year-old. Monthly fees were calculated from hourly, daily, and weekly fees assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month.

*Source:* Data in this table are based on information obtained through surveys and interviews of state child care administrators and advocates.

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# SUBSIDY REIMBURSEMENT RATES

A vital component of every state's child care assistance program is the amount it reimburses providers who receive public funds. The level at which these rates are set has a tremendous impact on the quality and availability of care for low-income parents. When rates are low, providers may choose not to accept children receiving assistance, limiting the choices for families receiving help. If the providers do accept the low rates, they may ask parents to make up the difference between what the state pays and what the provider charges for care, placing an enormous financial burden on already stressed family budgets. They may also put off needed improvements to facilities and equipment and may keep staff salaries unacceptably low in order to stretch their resources as far as possible. These tradeoffs can have a negative impact on the quality of care that low-income families can choose, although strong early learning experiences are essential to children's ability to start school ready to succeed.

When rates are set at a level that reflects the true costs of providing care in a community, children and families benefit. At a minimum, states should set base reimbursement rates at the 100th percentile of the current market rate, as determined by an up-to-date market rate survey. This benchmark would give parents access to all providers in their community, without placing additional financial burdens on them, and would allow providers to invest in staff and other resources.

Many states are recognizing the importance of updating their reimbursement rates to reflect the current market rate. In 2001, half (26) of the states

raised reimbursement rates for some or all categories of care, including **Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Georgia, Idaho, Kentucky, Maine, Mississippi, Nebraska, New Hampshire, New Jersey, New Mexico, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Wisconsin,** and **Wyoming**. In addition, **Hawaii** set new rates that were instituted in February 2002. However, **North Carolina** made changes to its rate program that could have a long-lasting and damaging impact, with the state legislature voting to remove a previous requirement that the state enact market rate changes every two years.

Seventeen states also recognized the need to adjust the rate to encourage the provision of higher quality and difficult-to-find care through a differential rate (also called tiered reimbursement) structure. While this approach can make higher quality care and other types of care more available, it does not compensate for a very low base reimbursement rate. **Colorado, Connecticut,** the **District of Columbia, Georgia, Hawaii, Indiana, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Mexico, Oklahoma, Rhode Island, South Carolina,** and **Tennessee** implemented or improved their rates for accredited or high quality care, care during odd hours, care for children with special needs, and care in short supply.

## New State Action 2001: State by State Details

**Alabama** increased maximum reimbursement rates by 10 percent statewide effective October 1, 2001.

**Arizona** increased reimbursement rates based on a 1998 market rate survey. Previously, rates were based on the 1996 market rate survey.

**Arkansas** increased reimbursement rates based on the current market rate survey (a $2.6 million increase).

**California** conducted its 2001 market rate survey. Rates were recalculated and went into effect July 1, 2001.

**Colorado** adjusted rates on a county-by-county basis. Rates in some of the resort communities with higher costs of living were increased. The state conducted a new market rate survey this year, but only released the results as suggested guidelines to counties. Some counties are doing their own surveys as they feel their rates are not reflected in the statewide survey. Denver also made an agreement with Educare, a private initiative aimed at producing high quality child care and identifying the true cost for that product, to pay higher rates for programs that score high on their evaluation scale. There is no state differential rate structure. However, legislation created license pilot models that may include differential rates in their three-year pilot programs.

**Connecticut** approved new reimbursement rates for its child care subsidy program (now called Care 4 Kids), which became effective on January 1, 2002. These new rates were based on a market rate survey conducted in April and May of 2001, and are set at the 60th percentile level. This is the first increase since 1991. Rates for relatives or providers who care for children in their homes are based on the state minimum wage. Reimbursement rates will change to reflect the following levels: quarter-time (less than 15 hours a week), half-time (16 to 34 hours a week), full-time (35 to 50 hours a week), and full-time plus (51 to 65 hours a week). Providers achieving national accreditation will receive a 5 percent increase rather than the current $5-per-child bonus. Bonus payments (effective July 1, 2002) will be made to support those providers who do not seek accreditation yet participate in approved training authorized by Connecticut's professional development program, CT Charts-A-Course. Providers that serve children with special needs will receive an increase in the monthly payment amount that may, depending on the service required, equal up to an additional 35 percent on top of the standard monthly payment amount.

The **District of Columbia's** Going for the Gold tiered reimbursement system was fully implemented in 2001. The system has three levels of reimbursement, with accredited programs qualifying for the Gold, or highest, level.

**Florida** updated its annual market rate survey. The Florida Partnership for School Readiness provides data on maximum reimbursement rates to local school readiness coalitions, which may elect to implement the new rates.

**Georgia** approved a new tiered reimbursement program based on education, training, accreditation, and parent involvement for centers, group homes, and family child care homes. The tiered reimbursement program will start January 2002 in five targeted counties. The state also increased rates in all zones for all types of providers and all ages of children. For example, the maximum rates in the metro Atlanta area for center-based infant care increased from $90 per week to $105 per week.

**Hawaii** now utilizes a tiered reimbursement rate. After public hearings in February 2002, the differential among the rates will be increased again. The reimbursement rate will go up to a maximum of $475 per month for accredited preschools; $425 per month for licensed, non-accredited centers, accredited family child care homes, and group homes; and $375 per month for licensed family child care homes that are not accredited. The rate will remain at $250 per month for relative and license-exempt care.

**Idaho** conducted a new market rate survey and increased rates for all types of care effective January 1, 2001.

**Illinois** released the results of the 2000 market rates survey but did not adjust rates accordingly.

**Indiana** instituted tiered reimbursement rates. The rate structure includes specific tiers for legal license-exempt care to assist these providers in complying with new minimum standard requirements, an accreditation tier, and a voluntary certification tier for ministry care to move them towards licensing.

**Iowa's** Department of Human Services contracted with resource and referral agencies to

conduct a market rate survey in October 2000. The new rate structure was not funded by the state legislature and was not implemented.

**Kansas** is examining the feasibility of establishing a tiered licensing/tiered reimbursement system. A task force was established with representatives from the state Department of Health and Environment—Child Care Licensing and Registration, Social and Rehabilitation Services, the Association of Child Care Resource and Referral Agencies, local representatives of state offices, and child care providers.

**Kentucky** conducted a market rate survey in 2001, which led to the implementation of new reimbursement rates in October 2001.

**Maine** implemented an enhanced reimbursement rate for children with special needs, a 10 percent rate increase for accredited child care providers, and an enhanced rate for odd-hour care. These changes were approved in 2000 but implemented in 2001.

**Maryland** instituted a new system of tiered reimbursement (funded with a current year allocation of $1.9 million) to reward providers who attain higher quality.

**Massachusetts** implemented a rate increase that had been approved in summer 2000. The rate increase was administered as a "tiered" rate, meaning that the programs qualified for portions of the increase by agreeing to certain quality improvement measures. The bulk of the rate increase was tied to programs developing literacy curricula. The remainder was linked to the establishment of a professional development plan, agreement to administer ECERS/ITERS/FDCERS/SACCERS (rating scales), and agreement of parents to participate in a longitudinal study at some point in the future.

The Office of Child Care Services has received a federal research grant to establish a Research and Evaluation Data Warehouse. One of the first projects will be to evaluate outcomes for the tiered reimbursement rate system.

**Mississippi** conducted a market rate survey and increased rates slightly. The state reinstated one avenue for qualifying for the highest tier level that had been removed in 2000: completing a credentialing class offered by one in-state organization.

**Montana** will implement a new Stars program of tiered reimbursement as part of the conversion to a new computerized child care management system in early 2002. The program will provide higher rates of reimbursement for two tiers of programs. If a program meets licensing requirements (no star), it will receive the 75th percentile. A one-star program, or one that meets extended licensing requirements, reduces turnover, and has 75 percent of staff on Career Path, will receive 10 percent above the 75th percentile. A two-star program, or one that meets the one-star standards and attains accreditation through the National Association for the Education of Young Children (NAEYC) or the National Association of Family Child Care (NAFCC), will receive 15 percent above the 75th percentile.

**Nebraska** conducted a market rate survey in spring 2001. Rate changes were made effective July 1, 2001.

**Nevada** is implementing a tiered reimbursement system, ranging from the current reimbursement rates to the highest rates for

accredited programs. The accredited level was implemented first. The two middle tiers are currently in the design phase.

**New Hampshire** released the results of the 2000 market rate survey in June of 2001 and implemented a higher rate of $4 extra per day for children with special needs.

**New Jersey** increased reimbursement rates by 3.6 percent.

**New Mexico** increased rates by 10 percent for odd-hour care (between the hours of 7 p.m. and 7 a.m.) in all child care settings, for all ages. The Department of Children, Youth, and Families received a $2.4 million transfer from TANF to support reimbursement rates for child care. In addition, the Department of Children, Youth, and Families contracted with an outside organization to conduct a new market rate survey.

**North Carolina** completed the analysis of a market rate survey conducted in 2000. The state has not implemented new rates. Budget special provision language removed the requirement to enact market rate changes every two years. This provision also allows the state to use regional rates instead of state rates in establishing rates in counties that have too few children to constitute a market.

**North Dakota** conducted a market rate survey but did not adjust rates accordingly.

**Oklahoma** conducted a market rate survey and implemented an increased rate of up to $6 per child per day for higher quality centers and homes. The state implemented a new blended rate of full- and part-day care for school-age children effective January 1, 2002.

**Pennsylvania** announced an increase in reimbursement rates based on a market survey that was conducted in 2000. The increase raised ceilings to the 75th percentile of the 2000 rates.

**Rhode Island** increased reimbursement rates for children enrolled in the comprehensive child care services program (CCSP) with certified CCSP providers. For example, the state will pay $77 per week per three- to four-year-old (over and above the child care subsidy payment for that child). The state also increased rates to the 75th percentile of 2000 market rates in January of 2002, but not in all categories of care.

**South Carolina** conducted a local market rate survey in spring 2001 that led to the implementation of new maximum weekly reimbursement rates in October 2001. A $5 per week per child quality incentive bonus is available to level two and level three child care providers voluntarily meeting higher child care standards.

**South Dakota** increased provider reimbursement rates by 6.2 percent overall based upon a new market rate survey, with reimbursement set at the 75th percentile. Two counties were reclassified as "urban" under the rate structure.

**Tennessee** increased rates in specific categories according to the increases reflected in the market rate study. The state continues to pay at the 70th percentile. The state implemented a differential rate structure in October 2001 based on a rated licensing system. The Star Quality Bonus program allows a qualified provider to earn a 5 percent, 15 percent, or 20 percent bonus rate over the 70th percentile if they receive a one, two, or three star rating on the annual license renewal evaluation.

**Utah** changed the way subsidies are calculated. Parents participating in approved activities for 32 to 40 hours per week may receive the full monthly subsidy or provider charge, whichever is less. The state increased monthly payment rates based on the 75th percentile.

**Vermont** implemented a 10 percent rate increase across the board for all types of care.

**Virginia** changed rates based on the 1999–00 rate survey. Rates changed for all ages and types of care with some rates increasing and others decreasing.

**Wisconsin** payment rate policies have been adjusted to more accurately reflect actual reported provider prices for specific age groups.

**Wyoming** increased reimbursement rates according to a 2001 market rate survey.

## Table 4. Maximum State Reimbursement Rates for Licensed, Non-Accredited Center-Based Care for a Four-Year-Old as of June 1, 2001

| State | Maximum State Payment Rate | | 75th Percentile of the Market Rate | Survey Year |
|---|---|---|---|---|
| | Monthly Payment Rate | City/County/Region | | |
| Alabama | $407 | Birmingham Region (includes four counties) | $407 | 1999 |
| Alaska | $575 | Southwest Alaska | $575 | 1998 |
| Arizona | $433 | Phoenix (Maricopa County) | $515 | 2000 |
| Arkansas | $389 | Washington County | $389 | 2001 |
| California | $862 | Marin County (state sets rates at 1.5 standard deviations above the mean) | Data not available | 2000 |
| Colorado | $792 | Jefferson County | Urban counties: $594<br>Rural counties: $374<br>Resort counties: $682 | 2001 |
| Connecticut | $565 | Southwest Region | $565 | 1991 |
| Delaware | $373 | New Castle County | $497 | 2000 |
| District of Columbia | $510 | Citywide | $550 | 2000 |
| Florida | $560 | Palm Beach County | $560 | 2000 |
| Georgia | $346 | Metro Atlanta | $502 | 2001 |
| Hawaii | $375 | Statewide | $430 | 2001 |
| Idaho | $492 | Boise Region | $492 | 2001 |
| Illinois | $527 | Cook, DuPage, Kane, Kendell Lake, and McHenry Counties | $698 | 2000 |
| Indiana | $528 | Hamilton County | $528 | 2000 |
| Iowa | $451 | Statewide | $451 | 1998 |
| Kansas | $460 | Olathe Area | $489 | 1998 |
| Kentucky | $433 | Urban Areas in Central Region | Data not available | 2001 |
| Louisiana | $325 | Statewide | $303 | 1999* |
| Maine | $585 | Cumberland County | $585 | 2000 |
| Maryland | $587 | Montgomery and Howard Counties | $587 | 1999 |
| Massachusetts | $682 | Region 4 | $800 | 2000 |
| Michigan | $753 | Genesee, Ingham, Livingston, Macomb, Monroe, Oakland, St. Clair, and Washtenaw Counties | $545 | 1999 |
| Minnesota | $684 | Washington County | $684 | 1999 |
| Mississippi | $333 | Statewide | $300 | 2001 |
| Missouri | $331 | St. Louis (Metro area) | $498 | 1996 |
| Montana | $384 | Bozeman District | $384 | 1998* |
| Nebraska | $455 | Douglas, Sarpy, Lancaster and Dakota Counties | $455 | 1997 |
| Nevada | $433 | Clark County | $433 | 2000 |
| New Hampshire | $482 for non-contracted care<br>$528 for contracted care | Statewide | $643 | 2000 |
| New Jersey | $480 | Statewide | $585 | 1997* |
| New Mexico | $364 | Metro areas | $455 | 1999 |
| New York | $909 | Nassau, Suffolk, Putnam, Rockland, and Westchester Counties | $844 | 1999 |

*continued on the next page*



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## Table 4. Maximum State Reimbursement Rates for Licensed, Non-Accredited Center-Based Care for a Four-Year-Old as of June 1, 2001 *(continued)*

| State | Maximum State Payment Rate | | 75th Percentile of the Market Rate | Survey Year |
|---|---|---|---|---|
| | Monthly Payment Rate | City/County/Region | | |
| North Carolina | $470 (for a one-star center) | Wake County | $470 | 1997 |
| North Dakota | $400 | Statewide | $400 | 1999 |
| Ohio | $476 | Hamilton County | $476 | 1998 |
| Oklahoma | $368 | Canadian, Cleveland, Kay, Kingfisher, Oklahoma, Tulsa, and Washington counties | $401 | 2001 results not available as of June 2001 |
| Oregon | $398 | Metropolitan areas and some university towns | $517 | 2000 |
| Pennsylvania | $606 | Delaware County | $606 | 1998 |
| Rhode Island | $560 | Statewide | $560 | 2000 |
| South Carolina | $320 | Columbia, Richland County (urban areas) | $320 | 1998 |
| South Dakota | $419 | Urban Counties: Brookings, Brown, Clay, Hughes, Lawrence, Lincoln, Minnehaha, Pennington, Union | $419 | 2001 |
| Tennessee | $333 | Top 15 counties with highest average population in last 3 years | $346 | 2000 |
| Texas | $435 | Capital area | Data not available some local areas are conducting their own market rate surveys | — |
| Utah | $382 | Statewide | $412 | 2000 |
| Vermont | $442 | Statewide | $504 | 2000 |
| Virginia | $847 | Arlington | $890 | 2000 |
| Washington | $575 | King County (Seattle) | $840 | 2000 |
| West Virginia | $368 | Statewide | $368 | 1999* |
| Wisconsin | $741 | Milwaukee County | $741 | 2000 |
| Wyoming | $472 | Statewide | $472 | 2001 |

* Data as of March 15, 2000.

*Note:* Monthly fees were calculated from hourly, daily, and weekly fees assuming the child was in care 9 hours a day, 5 days a week, 4.33 weeks a month.

States may have implemented changes to their reimbursement rates after June 1, 2001. These are not reflected in this table. See text for details.

*Source:* Data in this table are based on information obtained through surveys and interviews of state child care administrators and advocates.

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# OTHER SUBSIDY POLICIES

In addition to the eligibility cutoffs, copayment levels and reimbursement rates, states make policy choices in other areas of their child care assistance programs that can have profound impacts on the type and quality of care available to families getting help. These choices include additional limits on eligibility, decisions about who receives priority for assistance, the type of agency the state chooses to operate the assistance program, how parents apply for help, and health and safety and training requirements for providers caring for children receiving assistance. As with other aspects of the child care assistance program, it is critical that these policies be designed to make applying and using help as simple as possible, and to enable families to have access to the highest quality care.

## New State Action 2001: State-by-State Details

**Alabama** centers and home providers that accept subsidy funds must now comply with the Minimum Standards for Day Care Centers and Minimum Standards for Family Day Care Homes and Group Day Care Homes. The state revised child care minimum standards to improve training requirements and other safety regulations, as well as to lower staff–child ratios over two years. License-exempt providers who accept subsidy children must certify that they meet all of the minimum standards.

**Arkansas** implemented a billing review system and promulgated new fraud and overpayment regulations and procedures for the voucher program. Any provider in violation of regulations or involved in fraud can be excluded from receiving any funding from the Department of Human Services.

**Connecticut** has adopted new uniform regulations to replace the two different sets of regulations under which child care currently operates. Some of the highlights of the new Care 4 Kids program include: priority categories for new applicants (after families receiving cash assistance, preference will be given to teen parents, low-income working families, and families at risk of welfare dependency); requiring all parents to seek financial support from the non-custodial parent (currently only Temporary Family Assistance recipients are required to pursue child support); a waiting list for times when the program is closed due to funding (currently the state simply freezes intake and stops taking applications); and increased financial support for children with special needs. Finally, the state has moved the contract for its subsidy program from MAXIMUS to Benova. Benova will subcontract out to the United Way/Infoline, the state's resource and referral program, to handle incoming calls and outreach.

**Georgia** contracted with MAXIMUS to operate the state child care subsidy payment in 26 counties. In the past year, they have been working to iron out problems. The state says it will not add any new counties until all problems have been corrected.

**Hawaii** passed legislation during the 2001 session to require both criminal history checks and child abuse record checks for legally exempt care providers, including relatives.

**Indiana** changed its child care voucher delivery system to separate intake and payment. A family will always have a local site for intake and authorization, with a Central Reimbursement Office (CRO) making the payments. The entire system will be Web-based and will allow for enhanced internal controls, flexibility in moving funds where needed, and determining trends for financial and service need projections.

**Massachusetts** issued a policy prioritizing income-eligible child care for the families of rescue workers and those in the military following the September 11th attacks. The state is also working with the Department of Education to coordinate the lists of children waiting for subsidized child care.

The Office of Child Care Services (OCCS) has been funded to provide 500 child care spaces specifically for working foster parents. OCCS is currently working with the Department of Social Services to identify eligible foster families. The state is using flexible funding within the low-income child care program to support this initiative.

In addition, OCCS is preparing a request for responses (RFR) for bids to provide income-eligible child care for the children of homeless families. The RFR will be issued by February 2002. The state will provide income-eligible child care vouchers as well as transportation for these families. Providers serving these families will have access to specialized flexible funding to offer family supports. OCCS is working with other state agencies to identify additional supports for homeless families.

The state has also expanded access to OCCS services in order to:

- Support OCCS contracted and vouchered providers who serve low-income children with special needs. The funding may be used for training program staff, consultation to identify necessary supports for the child, technical assistance in meeting the

child's individual needs, enhanced staffing to maintain the child in the program, or specialized equipment.

- Allow providers to serve low-income children when their contract or voucher capacity is reached if they have the licensed capacity to do so.
- Serve low-income children requiring part-time care.
- Fund extraordinary transportation needs for low-income families.

**Michigan's** Family Independence Agency will require all child care providers who care for the child in the child's home, relative caregivers, and family child care providers to use "Positive Billing" to bill for the care they provide. This Positive Billing is conducted by the provider using either a touch-tone phone or the Internet. Providers will no longer be allowed to send in paper invoices.

**New Hampshire** made a one-time payment to all providers of scholarship (subsidized) care equal to $150 for each scholarship child enrolled for emergency assistance for fuel and cash flow.

**New Jersey** extended the waiting reduction list initiative (an attempt to reduce the number of children on the waiting list by providing additional funds) for an additional year.

**North Carolina** passed legislation that requires allocations for child care subsidies and Smart Start to be reviewed.

**Ohio** revised its absentee payment policy. Two years ago, this policy was modified to reflect the child care market, where parents pay on the basis of their child's enrollment, rather than on the basis of attendance. The new policy establishes a maximum of 10 paid absent days per child per six months.

**Oklahoma** developed and distributed new subsidy application packets to child care programs, businesses, and other public places. The subsidy application was added to the agency Web site as well as a Child Care Locator, which assists families with locating care based on the age of the child, location, tiered quality level, subsidy participation, and type of setting (www.okdhs.org/childcare). An outreach campaign is being developed to increase awareness of the subsidy program.

**Oregon** provided a $1 million increase in funding for the Student Block Grant.

**Pennsylvania** altered the implementation of a requirement that all parents receiving child care assistance, regardless of whether currently, formerly, or never on TANF, must formally pursue child support enforcement, if a child with an absent parent is in the family. In 2001, instead of having to at least have opened a child support case before subsidy payment could begin, parents have 60 days to prove they are participating in the child support enforcement system. Families still have to verify their child support enforcement status at child care subsidy redetermination time.

**Rhode Island** implemented automated, Web-based enrollment and intensive training of Department of Human Services staff and all approved providers on rules and procedures of the child care assistance program. The state also implemented changes in requirements for legal non-certified providers. The Department of Human Services no longer accepts out-of-state providers who are

not licensed or certified. Every member of a provider's household, regardless of where care is provided, must now be cleared. The number of children at any non-certified provider is limited to three unrelated children or six children related to the provider.

**South Dakota** instituted online applications for its child care subsidy program.

**Tennessee** assumed complete administrative responsibility for the subsidy program in four urban areas: Memphis, Nashville, Knoxville, and Chattanooga. Rural areas continue to be administered by eight broker agencies.

**Washington** made significant changes to its subsidy rules, effective January 19, 2002. The most notable changes were:

- Including 18-year-olds as part of the household for eligibility purposes
- Providing child care assistance to cover study time for parents in school
- Clarifying when child care assistance may begin
- Not counting in-kind income, or military house and food allowances for income eligibility
- Not counting earned income of 18-year-old siblings (or up to age 21 when in special education)
- Changing the criminal background review process for in-home/relative caretakers who are exempt from licensing
- Providing payment information in the rules.

**Wisconsin** has developed the Child Care Provider Information Web site. This Internet-based access to the Wisconsin Child Care Payment System allows authorized child care providers to view their current authorization information for children in care, access reports and payment information, and view announcements of county, tribal, or statewide items of interest.

# TAX CREDITS

Many states use tax credits to help families pay for child care and to expand and improve the quality and supply of child care. States also use tax credits to leverage new funds and to encourage business partners to help support child care. Although child care tax credits alone cannot make quality, affordable child care available to all families, they are one way for states to help more families with the cost of child care. To be most effective, state tax credits should be refundable so that even low- and moderate-income families with limited tax liability can benefit from the credit.

Currently, 27 of the 42 states with an income tax have a child care tax provision for families. Yet only 10 states meet the needs of low-income families by making the provision refundable. **Oregon** passed new legislation to make its tax credit refundable starting in 2003, joining **Arkansas, California, Colorado, Hawaii, Iowa, Maine, Minnesota, Nebraska, New Mexico,** and **New York**.

In 2001, states were more likely to use new tax credits to get business involved in child care than to support families, although research indicates that to date this type of incentive has not significantly increased business involvement. **Nebraska** and **Oregon** created new tax incentives to increase business support for child care and early education programs.

## New State Action 2001: State by State Details

The **District of Columbia** implemented a refundable earned-income tax credit.

**Nebraska** passed a business state income tax incentive for investing in early childhood programs. It was to be implemented for years 2001 to 2003 with a two-year extension if a program became nationally accredited within that time. However, during a special session to reduce the state deficit in October/November, the implementation year was put off until 2004.

**Oklahoma** established the Oklahoma Earned Income Tax Credit Act which creates a credit against the state income tax that is 5 percent of the federal earned income tax credit and reduces Oklahoma income tax rates from 6.75 percent to 6.65 percent.

**Oregon** extended the employer child care tax credit. The new Pilot Child Care Investment Tax Credit will result in investors receiving more in tax credits than they invested to purchase the child care certificates. The new targeted approach to child care investment is modeled after the Low Income Housing Tax Credit, which gives investors a return on their investment. The funds generated by this financial incentive will be used to increase provider reimbursements without forcing parents to pay higher fees. The focus of the investments will be home- and center-based providers who serve low-income children. Participating providers will be required to obtain a certain level of training and receive regular home visits to ensure the quality of care. In addition, Oregon made the Working Family Child Care Tax Credit refundable, effective 2003.

## Table 5. States with Child Care Tax Provisions for Parents

| State | Does the state have a child care tax provision for parents? |
|---|---|
| Alabama | No |
| Alaska[1] | N/A |
| Arizona | No |
| Arkansas | The state has a refundable tax credit. |
| California | The state has a refundable tax credit. |
| Colorado | The state has a refundable tax credit. |
| Connecticut | No |
| Delaware | The state has a tax credit that is not refundable. |
| District of Columbia | The District has a tax credit that is not refundable. |
| Florida | N/A |
| Georgia | No |
| Hawaii | The state has a refundable tax credit. |
| Idaho | The state has a tax credit that is not refundable. |
| Illinois | No |
| Indiana | No |
| Iowa | The state has a refundable tax credit. |
| Kansas | The state has a tax credit that is not refundable. |
| Kentucky | The state has a tax credit that is not refundable. |
| Louisiana | The state has a tax credit that is not refundable. |
| Maine | The state has a refundable tax credit. |
| Maryland | The state has a tax deduction and a tax credit that is not refundable. |
| Massachusetts | The state has a tax deduction. |
| Michigan | No |
| Minnesota[1] | The state has a refundable tax credit. |
| Mississippi | No |
| Missouri | No |
| Montana | The state has a tax deduction. |
| Nebraska | The state has a refundable tax credit. |
| Nevada | N/A |
| New Hampshire | N/A |
| New Jersey | No |
| New Mexico | The state has a refundable tax credit. |
| New York | The state has a refundable tax credit. |
| North Carolina | The state has a tax credit that is not refundable. |
| North Dakota | No |
| Ohio | The state has a tax credit that is not refundable. |
| Oklahoma | The state has a tax credit that is not refundable. |
| Oregon[7] | The state has two tax credits that are not refundable. |
| Pennsylvania | No |
| Rhode Island[9] | The state has a tax credit that is not refundable. |
| South Carolina | The state has a tax credit that is not refundable. |

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**Table 5. States with Child Care Tax Provisions for Parents *(continued)***

| State | Does the state have a child care tax provision for parents? |
|---|---|
| South Dakota | N/A |
| Tennessee | N/A |
| Texas | N/A |
| Utah | No |
| Vermont§ | The state has a tax credit that is not refundable. |
| Virginia | The state has a tax deduction. |
| Washington | N/A |
| West Virginia | No |
| Wisconsin | No |
| Wyoming | N/A |

N/A = State does not have an income tax.

* Alaska has no income tax, but statutory authority for a refundable tax credit is subject to a legislative appropriation. That appropriation has not been made.

† Family child care providers in Minnesota can claim the maximum tax credit for caring for their own children under age six. Married couples without employment-related child care expenses can claim the maximum credit for a child under age one.

¶ Oregon passed legislation making the Working Family Child Care Tax Credit refundable in 2003.

§ Rhode Island and Vermont calculate state tax liability as a percentage of federal tax liability after the federal Child Care Tax Credit (which itself is not refundable) is applied, effectively creating a state child care tax credit.

*Source: Recent Changes in State Child and Dependent Care Tax Provisions: Tax Year 2001* (January 2001) and additional information from the National Women's Law Center, December 2001. Information available at www.nwlc.org.

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# TRAINING AND COMPENSATION

While research has clearly shown the importance of trained and well-compensated staff in providing quality care to children of all ages and in all environments, low provider wages make it difficult to attract and retain qualified staff. Nationally, the average salary for a child care provider is only $16,350 per year.[24] Few providers are offered health insurance as part of their employment. As a result, turnover in the child care field is high, with as much as one-third of the workforce leaving their jobs each year.

A longitudinal study released in 2001 by the University of California, Berkeley and the Center for the Child Care Workforce found that 76 percent of all teaching staff employed in centers studied in 1996 were no longer employed when the centers were revisited in 2000, and 40 percent of centers participating in 1996 had new directors. Half of the teachers and directors who had left their jobs left the child care field entirely. New staff tended to be significantly less educated than those they replaced. Only one-third of the new teachers had completed a Bachelor's degree, compared to nearly half of those who had left.[25]

A study of child care workers in Pennsylvania demonstrates that providers also lack adequate benefits. One in four child care workers in the state has no health insurance at all—compared with one in 10 of all Pennsylvania workers.[26] The percent of child care providers without health insurance increased from 21 to 25 percent over the past decade. Among providers who do have health insurance, it is often as a dependent on a relative's plan. Only one in four child care workers receives health insurance on the job—compared with 60 percent of all other workers in the state.

Over the past several years, this staffing crisis has led states to invest in small initiatives to both improve training and to increase the compensation available to qualified child care providers. In 1998, **North Carolina** enacted WAGE$™, an initiative that provides funds to supplement the wages of caregivers who have early childhood education credentials. In 2001, **Kansas** (through a private foundation), **Oklahoma**, and **Wisconsin** created or implemented similar programs. **Connecticut** enacted a program, but provided no funding for its implementation.

Many states have adopted the North Carolina T.E.A.C.H. Early Childhood® Project. In 2001, **Hawaii, Kansas, Michigan**, and **Nebraska** joined **Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Missouri, New York, North Carolina, Oklahoma, Pennsylvania, South Carolina, Virginia, Washington**, and **Wisconsin** in adopting the T.E.A.C.H.® model, which creates scholarship programs that encourage providers to receive additional training and education and to work toward receiving a child care credential. Caregivers are awarded a raise or an additional bonus if they commit to working in their child care program for a specific period of time. **Alabama** and **Connecticut** have plans to develop or implement similar programs in 2002. **California, Georgia, Maryland, Massachusetts, Mississippi, Montana**, and **Pennsylvania** instituted other initiatives to support caregivers' efforts to get additional training and education. **Texas** continued a scholarship program to help providers obtain CDAs and Associate degrees, but the state did not fund the salary enhancement portion of the law.

In another effort to promote the development of well-trained child care providers, the Department of Labor began the "Quality Child Care Initiative" in 2000. In 2001, ten new states, including **Alaska, Arkansas, California, Connecticut, Maine, Montana, Oklahoma, Rhode Island, South Dakota**, and **Tennessee** participated in the initiative that provides 4,000 hours of on-the-job training to child care providers over a two-year period. While most of the funds supporting these initiatives are federal dollars, at the end of the grant period states are required to have plans in place to sustain and implement statewide registered child care apprenticeship programs.

Several states, including **Arizona, Arkansas**, the **District of Columbia, Georgia, Hawaii, Montana, North Dakota, Rhode Island, Utah, Washington**, and **Wisconsin** recognized the importance of ongoing professional development opportunities for providers in early care and education and acted to create or expand statewide professional development systems and registries.

## New State Action 2001: State by State Details

**Alabama** changed its Child Care Minimum Standards effective January 2001. The standards increased the in-service training requirements for providers and all staff and also now require pre-service training. Within 30 days after employment, child care providers in centers must have at least 12 hours of training in child care and development through participation in workshops, meetings, videotapes, or one-to-one consultation. Family child care providers must have at least 24 hours of training in child care and development prior to licensing and 20 hours of training related to child care each year thereafter. The state will also be implementing T.E.A.C.H.® in 2002.

**Alaska** began implementing the System for the Early Education Development (SEED) program, which includes a U.S. Department of Labor-funded Child Care Apprenticeship program. SEED also serves as the state's professional development system, incorporating incentives and supports such as a mentoring system, scholarships, and wage incentives for the early care and learning field.

**Arizona**, through the Department of Economic Security, has recently awarded a contract to the state child care resource and referral agencies to develop and operate a professional registry. This initiative is also part of the Governor's Head Start Collaboration Advisory Council. The purpose of the registry is to track the training, education, and experience of child care providers and to implement a graded Level System with five levels. The registry will ensure that approved training meets core competencies and that trainers meet minimum education requirements. Once operational, it is intended that the system will be integrated into state licensing standards.

**Arkansas** implemented 16 Quality Initiative pilot projects. The projects were designed to establish or expand the quality of care for children in the state. The initiatives address reducing staff–child ratios for infant/toddler care, child care staff turnover, pre-employment training, mentoring and support programs, and school-age care. The Arkansas Early Childhood Professional Development System has implemented a professional registry that tracks all training for early care professionals and trainers. The state has also expanded training and education opportunities for early care professionals and worked extensively with higher education institutions on various efforts, including the development of common course titles and state approval of CDA institutions.

**California** implemented a law to provide stipends to child care providers who receive contracts from the state for low-income children. A combination of state and Proposition 10 (tobacco tax initiative for children and families) funding is available for these stipends, as well as additional local efforts. It is administered at the state level and implemented at the local level.

**Colorado** instituted a professional credentialing program in a limited number of communities with funds from a Department of Labor Apprenticeship grant. There is no legislative mandate to acknowledge this credential or pay a differential rate to providers who earn the credential. The state also implemented the early childhood education professional Loan Repayment Pro-

gram, which provides up to $1,000 per year, with a two-year maximum, for students with college loans who work for a licensed child care facility after graduation. Funds, reserved from CCDBG, for the Loan Repayment Program are $130,000 for FY 2002 and $244,000 for FY 2003.

**Connecticut** passed a law requiring the Department of Social Services to develop, with available funds, initiatives to increase compensation paid to child care providers to further their education. The state is piloting a child care apprenticeship program with federal funds and state in-kind resources and will assess the viability for statewide replication. DSS's evaluation of the initiatives must include staff retention rates and the quality of education and care provided to children. However, there are no new funds for this program. The state also offered the National Directors' Credential to 20 directors through Connecticut Charts-A-Course. There are plans to offer it again in the spring of 2002.

The **District of Columbia's** Office of Early Childhood Development (OECD) spent more than $1 million on training in FY 2001, the majority of the quality dollars available through CCDBG. The District spends approximately 8 percent of its CCDBG budget on quality initiatives. OECD offered tuition scholarships at institutions of higher education for child development/nursery school and early childhood education. Scholarships were also offered for providers interested in the social work program at the University of the District of Columbia.

OECD also funded or supported several programs through the Early Childhood Leadership Institute (ECLI) at the University of the District of Columbia, including:

- Project Headway: a program to take child care workers with a CDA credential to an Associate of Arts degree in Early Childhood Education. Project Headway has four cohorts with a total of 97 child care employees enrolled.
- Taking Charge of Change: a program for center directors, assistant directors, and educational coordinators of child care programs. The training consists of a one-week intensive institute and a year-long monthly seminar series. The current cohort has 15 providers and OECD Program Monitors.

More than 300 participants were offered scholarships to attend "Come Monday Morning" workshops and literacy seminars.

The Early Care and Education professional ladder was completed and will serve as the basic framework for the DC Professional Registry. The Early Childhood Leadership Institute piloted the Professional Registry in 2001.

OECD, in collaboration with the DC Department of Employment Services received a grant from the U.S. Department of Labor to develop the Child Development Specialist Apprenticeship Program for the District of Columbia.

Six CDA Training Programs were offered in 2001 for the following providers: those working with infants and toddlers with developmental delays and disabilities; non-English speaking providers and bilingual English/Spanish providers; TANF participants; currently employed providers; and the unemployed, as well as persons making a career shift.

The District of Columbia Hospital for Sick Children is a new partner in the health and safety training program. The Hospital for Sick Children offered training on special needs for parents and providers.

**Georgia** used CCDBG funds for contracts to improve training and compensation for caregivers of infants, toddlers, and children with special needs. The state expanded the Professional Registry criteria. It also provided specific grants for training and technical assistance to family child care providers. The state will assess the training needs of providers and will collaborate with the statewide resource and referral agencies to meet these needs.

**Hawaii** granted its first T.E.A.C.H.® scholarships for the fall 2001 semester. The Department of Human Services granted the Good Beginnings Alliance a $100,000 contract with $50,000 for the administration of the program and $50,000 to go directly to scholarship recipients. Good Beginnings will match the state funds with an additional $185,000 in business and private foundation funding. In addition, the Department of Human Services provides funding to the Hawaii resource and referral agency, PATCH, to support scholarships for licensed child care providers for early childhood education classes. In addition, Good Beginnings Alliance, through a grant from the Department of Human Services and additional private funding, is currently implementing the Hawaii Careers with Young Children Registry and Training Approval System.

**Illinois'** Governor proposed a $1 million increase in FY 2002 for the Great START (Strategy to Attract and Retain Teachers) provider compensation program. The General Assembly matched that with another $1 million, bringing the total appropriations for the program from $3 to $5 million in FY 2002.

**Indiana** implemented an online learning opportunity for child care providers that offers a complete college credit-eligible CDA credential with child care business courses and early literacy components. Currently, all students participating in the program have scholarships through T.E.A.C.H.® New family child care providers must now complete their CDA within three years of obtaining their license.

**Kansas** implemented T.E.A.C.H.® as a pilot project in 43 counties. In addition, four out of seven counties receiving Smart Start Kansas grants (which are supported by tobacco settlement funds) used some of the grant money to support T.E.A.C.H.® At this time, over 100 scholarships have been awarded and $150,000 of CCDBG funds have been invested. The Kauffman Foundation has provided funding to establish a child care WAGE$® project in the counties where the T.E.A.C.H.® program is located.

Kansas also implemented an Early Childhood Apprenticeship Project. The project is administered through the Butler County Community College in El Dorado, Kansas. Thirty-seven students are currently enrolled in the two-year program. Upon completion, students will be awarded the Early Childhood Apprenticeship Certificate. Funding for the entire program is $350,000, all of which are federal funds.

The Kansas Head Start Collaboration Office has provided funds to the Apprenticeship Project and to the Kansas Association for the Education of Young Children (KAEYC) to support scholarships for new directors and apprentices to attend the annual KAEYC Conference. The Conference offers a leadership track as well as many seminars for in-service training and continuing education units.

The Head Start Collaboration Office organized the Healthy Smiles: Child Care Providers Promoting Oral Health conference. One hundred twenty child care providers and 20 infant/toddler specialists participated in the conference and the Train-the-Trainer curricula review. The United Methodist Health Ministry Fund underwrote the conference cost. The conference featured a dentist, four dental hygienists, and two registered dieticians to help participants increase their understanding of new research in children's oral health and increase knowledge and implementation of an oral health curriculum in child care settings.

**Kentucky's** Governor's Early Childhood Initiative provides for professional development counselors within resource and referral agencies. These counselors assist providers in improving staff training, paying for additional training through scholarships and incentives, and meeting requirements for additional training in order to quality for higher ratings and the incentives associated with them in the voluntary quality rating system.

**Maine** implemented Maine Roads to Quality, a comprehensive child care provider training system, available statewide through the resource and referral network, and an accreditation support network.

**Maryland's** Child Care Administration established the Office of Credentialing (with a budget of $2.23 million) to administer the new Maryland Child Care Credential for staff in child care centers and homes. The new program includes training vouchers and achievement bonuses. The credential requires staff to take courses in certain areas that comprise a core body of knowledge, including curriculum, health, safety and nutrition, professionalism, community, and special needs. The credential includes several levels corresponding to increasing levels of training, education, and experience. The most advanced level rewards providers who have achieved a Bachelor's degree, in addition to training and experience.

The **Massachusetts'** Office of Child Care Services (OCCS) brought together a recruitment and retention task force that included representatives from the federal Administration of Children and Families, the State Department of Education, the Massachusetts Association of Day Care Agencies, the Massachusetts Head Start Association, and the Head Start-State Collaboration office. The task force contracted with a research firm to examine staff recruitment and retention, and a report was issued in April.

The state implemented a tiered reimbursement system for center-based and family child care providers who contract with OCCS or hold a voucher agreement to provide child care assistance to families. The system has four tiers, plus a stipend option based on a provider's participation in four quality initiatives. The first initiative, Literacy Development for School Readiness, is mandatory. To qualify for the rate increase, providers must develop a curriculum plan for literacy that is approved by OCCS. This year, the Office of Child Care Services developed a training on emergent literacy to help child care providers participating in the initiative develop an appropriate curriculum.

Massachusetts also provides CDA scholarships for child care providers who meet income eligibility guidelines and satisfactorily complete the CDA credentialing requirements.

**Michigan's** Family Independence Agency contracted with the Michigan 4C Association, a statewide network of resource and referral agencies, to implement T.E.A.C.H.® The contract is for $8 million for two and a half years.

**Mississippi** implemented a new program to provide scholarships to child care workers who seek two- or four-year degrees in early childhood. Child care workers are required to pay the expenses up front and are reimbursed by the state only after producing receipts for their expenditures. This has made the program difficult for many child care workers who cannot pay those costs up front.

**Montana** added a new eight-hour annual training requirement for all providers. Merit Pay, which had provided $200 for 30 hours of training, was changed to $400 for 68 hours of training and $200 for 38 hours of training. Scholarship funds for CDA assessment, facility accreditation, undergraduate college course work, and graduate degrees in early childhood were all increased.

As part of the Infant/Toddler Demonstration project, programs meeting higher standards are given additional funding to offer staff higher compensation. The state will also be implementing a Stars program of tiered reimbursement in early 2002. The program will provide higher rates of reimbursement for two tiers of programs.

In addition, Early Care and Education Career Development Services includes the Training Approval System and Training Calendar, the Practitioner Registry, and Career Path. All training must now be approved through the statewide training approval system. Any provider applying for quality improvement grants for their programs must now be in the Practitioner Registry. A provider must document 15 hours of annual training to be on the Registry.

**Nebraska** will use CCDBG quality dollars to implement a T.E.A.C.H.® program. The Governor has authorized $520,000 in 2001 and $520,000 in 2002 for the program. Nebraska SCRIPT (Supporting Change and Reform in Interdisciplinary Preservice Training) is a state-sponsored initiative to support early childhood, interdisciplinary personnel preparation in institutions of higher learning.

**Nevada** is in the process of completing a child care workforce study. In another effort, cooperative arrangements have been made among universities, community colleges, and contractors to provide college courses for credit at off-hour times. In addition, the Welfare Division of the Department of Human Resources, in collaboration with Head Start, will be opening a center to train child care providers at the Southern Nevada Professional Development Center in February 2002.

**New Jersey's** Teach NJ, Reach the World program allocates $5 million for the 2001–02 school year to help Abbott school districts (the 30 poorest school districts, which are part of a State Supreme Court decision that mandates high quality early education for preschool children in those districts) hire new preschool teachers by offering them cash incentives and laptop computers.

In September 2001, the state began to provide mentoring for all first-year teachers, including early childhood teachers. The state allocated $7 million to increase the capacity of New Jersey's colleges and universities in preparing new teachers. The money will be used in areas where there are shortages of teachers, including preschool.

**New Mexico's** state legislature appointed a task force to look at child care compensation and education initiatives in other states. The task force made recommendations to the Legislative Education Study Committee. These included recommendations to study mechanisms for provision of health care and retirement benefits to child care and early education workers and to appropriate $150,000 to the Office of Child Development for 10 Early Childhood Training and Technical Assistance Programs.

**New York** continued the wages supplement program, which had been set to sunset in September 2001.

**North Carolina** initiated Project C.O.N.T.A.C.T. to offer distance learning opportunities for early childhood educators through several member institutions of the North Carolina Community College system. CCDBG provided the $165,000 in funding needed to get this project underway. In addition, Learning for a Lifetime, a public awareness curriculum that addresses the education/compensation/quality connection, has been completely revised at a cost of over $24,000, with information now being distributed to a broader audience of trainers.

**North Dakota** worked with Wheelock College to create a professional development plan and career ladder, and the state has also created a five-year visioning plan called "Growing Futures." A 16-hour Management Matters training course for new center directors was created. A state Children's Services Coordinating Committee grant was received by Child Care Resource and Referral to run the Early Childhood Mentor program. The Bush Foundation continues to support and to fund infant/toddler training coordinators throughout the state and in tribal programs.

**Oklahoma** implemented a wage supplement program, REWARD (Rewarding Education with Wages and Respect for Dedication), that will award bonuses of between $250 and $2,500 annually to child care teachers, directors, and home providers. It is administered by the Early Childhood Association of Oklahoma, the state's T.E.A.C.H.® sponsor.

**Oregon** expanded the employer child care tax credit. The new Pilot Child Care Investment Tax Credit will result in investors receiving more in tax credits than they invested to purchase child care certificates. Providers who receive additional funding through this program will be required to undergo a certain level of training and regular home visits.

**Pennsylvania's** Cyberstart initiative includes a training component. On a voluntary basis, centers receive training for one lead teacher per preschool classroom plus one center-wide staff member. Training consists of six hours of basic training in using a computer and accessing the Internet (for those who need this) and six hours of training in how to integrate use of the computer into the child care center's regular activities.

Some training and compensation are part of the new FY 2001–02 Child Care Start-Up Challenge Grants in the Department of Community and Economic Development, which are supported by $10 million of TANF funds. The grants can be used to cover educational materials, child care staff recruitment, initial training, initial salaries, and other recruitment costs associated with the start-up. Applicants must demonstrate a shortage of child care in their area and agree

to serve families below 235 percent of federal poverty income guidelines as spaces are available. Up to 75 percent of eligible project costs can be reimbursed with a minimum grant level of $50,000 and a maximum of $1 million. Only one grant per project and no more than one project every 12 months per grantee is allowed.

**Rhode Island** provided approximately $50,000 to support professional development by launching HOPE, an initiative to define and create a cohesive and comprehensive career ladder and professional development system for child care providers.

**South Dakota's** Department of Social Services, Office of Child Care Services, received a $350,000 grant from the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training. At the current time, 17 child care programs have registered as apprenticeship sponsors, and 41 apprentices are participating.

A two-year registered child care apprenticeship program, the Professional Pathways Program, will include 300 hours of classroom instruction and 4,000 hours of on-the-job training to prepare individuals to work effectively with young children. The classroom instruction is based on the established CDA training curriculum and a block of supplemental training. The second year of training will be delivered through Digital Dakota Network with Internet distance learning options to ensure statewide accessibility. Upon completion of the two-year program, each apprentice will have a CDA credential and a National Apprenticeship certificate in addition to 23 college credits.

**Tennessee** began using all collected child care licensing fees to provide free or low-cost training to licensed child care providers as directed by a statute, effective January 1, 2002. To that end, the department awarded a grant to a consortium of trainers from Tennessee State University, 11 Child Care Resource Centers, the Tennessee Association for the Education of Young Children, and a non-profit social services organization called Signal Centers. This grant provides free training to all licensed providers across the state in the areas of administration, child development, early childhood education, health and safety, and developmentally appropriate behavior management. Additionally, using CCDBG quality funds, the state contracted with the University of Tennessee Agricultural Extension Service to develop and distribute a two-hour pre-service/pre-employment orientation video and CD-ROM to help providers meet pre-service training requirements. These materials are free to all licensed providers.

**Texas** continued a $1,000 scholarship program for providers to obtain CDAs or Associate degrees with a $1 million appropriation, but the state did not fund the salary enhancement portion of the law. A pilot program to recruit and retain child care staff was funded at $3 million total over a four-year period.

**Utah** expanded its existing Early Childhood Career Ladder Program for early childhood workers. The previous five possible levels of training certification were expanded to ten. In addition, specialization endorsements to the program were added in the areas of infant/toddler care, including children with special needs, and child care center administration. Utah also added a wage enhancement program called the Power Achievement Award. The

program acknowledges providers for their annual achievements in Career Ladder training, years of licensed experience, and compliance with licensing regulations. Providers receive a rating of one to ten stars with an accompanying cash award, and can apply for an award once each year.

**Vermont** began the Apprenticeship Program, which provided college-level training and increased compensation for more than 300 providers. It is primarily funded by the U.S. Department of Labor and state Workforce Investment Funds.

**Virginia** piloted a new skills training, and a training event was provided statewide on the Thoughtful Interventions program. The child care training scholarship program was expanded to include non-domiciled individuals who work in child care programs; it also expanded the types of courses eligible for scholarships, and strengthened accountability.

**Washington's** Governor designated an additional $5 million for 2001–03 to augment the original $4 million invested in creating and sustaining the Early Childhood Education Career Development Ladder, bringing the investment for the current biennium to $9 million. The Governor also approved $250,000 of CCDBG dollars to support T.E.A.C.H. Early Childhood® Washington.

**West Virginia** has completed a new infant/toddler certification program.

**Wisconsin** implemented the R.E.W.A.R.D. ™ WISCONSIN Stipend program, with $1.2 million given in stipends to teachers, family child care providers, and directors and administrators in regulated child care or Head Start programs. To qualify for the stipend, providers must have an Associate degree or higher, work at least 20 hours per week, and have at least two years of experience working in their current program. Nine hundred forty-six stipends were awarded, ranging from $500 to $1,750, with the amounts varying based on the level attained in the Registry Recognition System. These funds were from CCDBG and administered by the Wisconsin Early Childhood Association under a contract with the Department of Workforce Development Office of Child Care.

Funding for T.E.A.C.H. Early Childhood® WISCONSIN was increased from $1.5 million a year to $4.8 million a year. The initiative provides scholarships to members of the child care and education workforce who work in a regulated child care or Head Start program, serve preschool-age children or work in before- or after-school care programs. During the first year, only programs serving infants and toddlers were eligible for scholarships. These funds, also from CCDBG, are administered by the Wisconsin Early Childhood Association.

Wisconsin's Early Childhood Collaborating Partners have worked to promote the development of a common career ladder and enhance the professional development of early childhood professionals working in child care, Head Start, and school settings. In 2001, *The Wisconsin Early Childhood Care and Education Career Guide* was published (www.collaboratingpartners.com). This guide describes careers working with young children, the programs, licensing requirements, preservice training programs, technical assistance agencies, definition of terms, state resources, and career planning.

However, the state eliminated funding for the Quality Improvement Grants program, which helped centers become accredited, and the Staff Retention Grants program, to help programs retain qualified staff once they have become accredited. As this year's grants are completed, the program will be discontinued in this form. The state took the $2 million from this program and applied it to a pilot program in one county to provide high quality child care.

**Wyoming** held a statewide conference in June 2001 to offer training opportunities and gave providers $100 to attend. Training grants were made available in October 2001 to child care providers to help them cover the costs of conferences, higher education, CDAs, or accreditation. An infant/toddler credential was also implemented. In addition, the state implemented a pilot project in Laramie County to train providers in the CDA and Head Start performance standards.

## Table 6. States with T.E.A.C.H.® Initiatives

| State | Does the state have a T.E.A.C.H.® initiative? |
|---|---|
| Alabama | No |
| Alaska | No |
| Arizona | No |
| Arkansas | No |
| California | No |
| Colorado | Yes |
| Connecticut | No |
| Delaware | No |
| District of Columbia | No |
| Florida | Yes |
| Georgia | Yes |
| Hawaii | Yes |
| Idaho | Yes |
| Illinois | Yes |
| Indiana | Yes |
| Iowa | No |
| Kansas | Yes |
| Kentucky | No |
| Louisiana | No |
| Maine | No |
| Maryland | No |
| Massachusetts | No |
| Michigan | Yes |
| Minnesota | No |
| Mississippi | No |
| Missouri | Yes |
| Montana | No |
| Nebraska | Yes |
| Nevada | No |
| New Hampshire | No |
| New Jersey | No |
| New Mexico | No |
| New York | Yes |
| North Carolina | Yes |
| North Dakota | No |
| Ohio | No |
| Oklahoma | Yes |
| Oregon | No |
| Pennsylvania | Yes |
| Rhode Island | No |
| South Carolina | Yes |

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continued on the next page

**Table 6. States with T.E.A.C.H.® Initiatives *(continued)***

| State | Does the state have a T.E.A.C.H.® initiative? |
|---|---|
| South Dakota | No |
| Tennessee | No |
| Texas | No |
| Utah | No |
| Vermont | No |
| Virginia | Yes |
| Washington | Yes |
| West Virginia | No |
| Wisconsin | Yes |
| Wyoming | No |

® T.E.A.C.H.® is an umbrella for various scholarship programs that encourage providers to receive additional training and education and to work towards a child care credential. Child care providers agree to complete a specified amount of education and in return receive a scholarship that covers a large share of tuition, books, and travel costs, and paid release time in some cases. Caregivers then receive additional compensation in the form of a raise or a bonus and agree to continue working in their child care program for a specified period of time.

*Source:* Data in this table are based on information provided by Susan Russell, Child Care Services Association, North Carolina, November 2001.

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# CHILD CARE FACILITIES

The quality of early care and education is key to children's success in school. To achieve a higher level of quality, investments in every component of a child care program—including facilities—are essential. However, without resources specifically targeted for the development of facilities, most programs cannot afford to construct new facilities or cover the expenses inherent in rehabilitating or rebuilding a space that meets physical requirements for quality.

The lack of a high quality space can have an enormous impact on both the children and the staff in a program. Children suffer with too little physical space, uncomfortable or inaccessible accommodations, and play areas that do not support their physical development. Teachers struggle to manage classrooms and maintain facilities that are poorly planned and ill-equipped.

Improvements in the environment can make a tremendous difference in the quality of care, as demonstrated by one study in San Francisco. In a facility located in the basement of a college building, teachers were observed interacting with children during approximately 3 percent of the observation period. The rest of the time, the teachers were forced to leave the room to use restrooms and sinks and store items for the children. When the child care center was moved to a new facility specifically designed to meet the needs of young children, the staff were able to interact with the children during 22 percent of the observed period. When asked, both teachers and the center director attributed the increase to a better design of the facility—children had more room to play, leading to fewer arguments, and teachers had the resources they needed in the classroom, allowing them to interact with the children more often.[27]

In some areas, the lack of space has become an acute problem, leaving administrators scrambling for new options. **New Jersey** procured classroom trailers to expand the supply of prekindergarten classrooms in Abbot districts and began an initiative to support expansion of child care centers contracting to offer prekindergarten. **Hawaii** took a significant step to improve the supply of prekindergarten programs, investing $2.5 million for the new Pre-Plus initiative that will build preschool facilities on public school land. The programs will be expected to become accredited within three years of opening.

Although funds from the Child Care and Development Block Grant can be used to support improvements in existing structures and several states make grants and loans available to programs for this purpose, CCDBG funds cannot be used for construction of new facilities. As a result, states must look elsewhere for funds to build facilities or make significant renovations. In 2001, **Connecticut**, **North Carolina**, **Oklahoma**, **Rhode Island**, and **Washington** created or expanded revolving loan funds, facilities funds, or bond programs to leverage public and private resources for child care facilities. **Connecticut** took an additional step to improve program quality, requiring programs that participate in the bond program to make plans to attain national accreditation.

## New State Actions 2001: Statewide Scale Efforts

**California** approved $42 million to upgrade playgrounds and to improve accessibility in subsidized child care programs ($30 million) and nonsubsidized programs ($12 million).

**Colorado** granted over $400,000 in CCDBG funds to licensed centers and family child care homes to upgrade the fall area in playgrounds.

**Connecticut's** General Assembly approved $3.5 million in bond funds to support the renovation or new construction of early care and education facilities at 10 YMCAs throughout the state. All facilities must develop plans to attain national accreditation. The Department of Social Services is coordinating this activity with its designated statewide accreditation facilitation contractor and regional service programs.

**Hawaii** allocated $2.5 million for each year for 2001 and 2002 from the Governor's Capital Improvement Projects (CIP) budget to build new preschool facilities on public school campuses. This Pre-Plus initiative was established by the Governor and is being implemented by the Lieutenant Governor with assistance from the Good Beginnings Alliance, a statewide community organization dedicated to developing an early learning system. The first sites will accept children in the first quarter of 2002. Thirteen preschool facilities will be built for Pre-Plus during 2002. The Department of Human Services has allocated approximately $13,000 to provide classroom equipment and furnishings for each new Pre-Plus facility for a total of approximately $169,000.

**Maine** funded $1.8 million in mini-grants to upgrade facilities for child care providers statewide. Funds were made available to family child care providers, nonprofit centers, and for-profit centers that could document need. The funds were appropriated last session and just made available in 2001.

**Michigan's** Family Independence Agency introduced start-up grants for the creation of new child care facilities. The grants are available to potential centers as well as family and group child care homes. Centers can obtain up to $15,000 if they provide matching funds. Family and group child care homes can obtain up to $3,500 but no match is required. The program is administered by the Michigan 4C Association.

**Nevada** set aside $250,000 each year for the biennium for the improvement of facilities linked to tiered reimbursement.

**New Jersey** provided a temporary solution to the need for preschool classrooms in Abbott school districts by ordering classroom trailers. As a longer-term strategy, New Jersey began the Bright Beginnings Child Care Expansion Initiative III, which provides $23 million of funding for the expansion of child care centers that are or will subcontract with Abbott school districts in the 2001 school year. The state also established new facilities regulations. These explain how a district receiving Early Childhood Program Aid to support prekindergarten can apply to the state for approval of a community provider early childhood education facilities project.

**North Carolina** added $1 million in CCDBG funds to the Child Care Revolving Loan Fund to make low-interest loans available to providers to improve the quality and increase the availability of child care. Possible loan uses include complying with state child care regulations, increasing the capacity of the facility, meeting the higher voluntary standards for a two- to five-star license, providing additional developmentally appropriate activities for children, and financing minor remodeling and start-ups.

**Oklahoma** had a group of state, business, child care, and philanthropic leaders meet to create and fund a facilities fund for construction and renovation of child care facilities.

**Pennsylvania's** Department of Community and Economic Development (DCED) has a new Child Care Start-Up Challenge Grant program using $10 million in federal TANF funds in FY 2001–02. Unlike current DCED low-interest loan programs for child care capacity expansion, for-profit and nonprofit licensed child care centers may apply for these grants. New construction is not covered but interior renovations are allowable expenses. Other allowable expenses are equipment and furnishings including installation, educational materials, necessary engineering, architecture and legal work, child care staff recruitment, initial training, and initial salaries and other recruitment costs associated with the start-up. Applicants must demonstrate a child care capacity shortage in their area and agree to serve families below 235 percent of the federal poverty level as spaces are available. Up to 75 percent of eligible project costs can be reimbursed with a minimum grant level of $50,000 and a maximum of $1 million. Only one grant per project and no more than one project every 12 months per grantee are allowed.

**Rhode Island** launched the Rhode Island Child Care Facilities Fund (RICCFF), a public-private partnership that will provide capital and technical expertise to child care programs to improve the quality of both centers and family child care homes. Over the next five years, RICCFF plans to help create or improve spaces for up to 2,500 children. It has raised $4.7 million so far to support the first five-year phase of RICCFF, including a Department of Human Services investment of $1.3 million over five years, $250,000 in the first year.

**South Dakota** awarded 47 health and safety grants for a total of $70,627 to child care centers and family child care homes to meet fire and life safety requirements as outlined in statewide child care administrative rules. This is ongoing funding with $140,000 available each fiscal year.

**Washington's** Governor has appropriated an additional $500,000 in TANF reinvestment funds for the state's child care facilities grant and loan fund for financing improvements to increase child care capacity.

The Division of Child Care and Early Learning (DCCEL) awarded over $5 million to local child care resource and referral agencies for increased recruitment and retention activities beginning October 1, 2001. These funds included monies for grants to child care homes and centers for facility improvements required by licensing. DCCEL has published a new manual for child care center directors, architects, building contractors, and local building and planning departments on requirements, guidelines, and best practices for building child care facilities.

The state will be revising the Washington Administrative Code to change the definition of an eligible applicant for the Child Care Facility Fund, but this will not go into effect until 2002.

# PROTECTING CHILDREN THROUGH LICENSING PROVISIONS

The first step toward ensuring that every child has access to quality early care and education programs that support their healthy development is establishing strong state licensing provisions. These provisions help ensure that children are safe and healthy and that they receive the attention they need to learn and succeed.

Research has clearly demonstrated that aspects of care that can be regulated significantly impact the quality of care. In 2001, the National Institute of Child Health and Development (NICHD) released preliminary findings from the latest stage of the Study of Early Child Care relating to quality of care, amount of time in child care, and outcomes for children. The study found that improvements in specific aspects of quality that are in the purview of state licensing agencies, such as low child–staff ratios and adequate provider training, improved the overall quality of caregiving and were linked to children's positive intellectual and social development.

Yet most states have failed to support children in this area. Only 10 states meet national recommendations for staff–child ratios in center-based care, and only 10 states require all family child care providers to meet any regulations at all. Thirty states do not require teachers in child care centers to have any training in early childhood before they may care for children, and 33 states do not require family child care providers to have this preparation. Seven states have no requirements for teachers in child care centers to participate in ongoing training, and nine states do not require family child care providers to meet this standard.[28]

In 2001, only a few states acted to improve their licensing rules to better protect children. **Alabama** made major improvements to its state licensing

provisions, including revisions in staff–child ratios and in-service and pre-service training. License-exempt providers are also addressed in the new regulations. Similarly, **Wyoming** also improved its staff–child ratios and training requirements. **Alaska** made positive changes in these areas as well, and now requires facilities such as Head Start and prekindergarten to meet these new requirements. **South Carolina** now requires two unannounced visits each year to licensed and faith-based providers. **Illinois**, **Montana**, **New York**, **Tennessee**, **Texas**, and **Vermont** implemented or improved training requirements for providers.

Several states took action to improve care for children receiving subsidies. **Alaska**, **Indiana**, **Louisiana**, **Pennsylvania**, and **Utah** implemented new requirements for training or background checks for these providers. In addition, **Kansas** allocated new resources so that providers participating in the state child care assistance program will now receive visits from licensing staff.

Five states—**Alabama**, **Arizona**, **Indiana**, **Kentucky**, and **North Carolina**—hired additional licensors. **Oklahoma** now provides support to almost one-third of state licensing and administrative staff to help them obtain a Master's degree in early childhood education.

## New State Action 2001: State by State Details

**Alabama** approved the hiring of 18 new licensing workers. The state also revised child care minimum standards to improve training requirements and other safety regulations, as well as to raise staff–child ratios over two years. The standards increased the in-service training requirements for providers and all staff and now require pre-service training. Within 30 days after employment, child care providers in centers must have at least 12 hours of training in child care and development through participation in workshops, meetings, videotapes, or one-to-one consultation. Child care providers in homes must have at least 24 hours of training in child care and development prior to licensing and 20 hours of training related to child care each year thereafter. Infant (zero to 12 months) staff–child ratios will be increased over three years from 1:6 to 1:4. Ratios for infants 12 to 18 months will go from 1:6 to 1:5. Staff–child ratios for all other ages will also be improved. License-exempt providers who accept children receiving child care assistance must certify that they meet minimum standards, comprehensive standards that include provisions regarding facilities, background checks, training (pre-service and in-service), and program content.

The state's Child Care Subsidy Program and Child Care Licensing Program were combined into one unit to form the Child Day Care Partnership within the Department of Human Resources to better coordinate the services provided by these two units.

**Alaska** made legislative changes, effective February 1, 2002, that affect all child care providers participating in the subsidy program. All child care providers must become licensed within 12 months of being approved to provide child care. Providers must comply with increased health and safety requirements as well as required immunizations. The state also made changes in staff–child ratios and began requiring training for licensed child care staff and fingerprinting for providers participating in the subsidy program.

In addition, new regulations for child care, effective October 2002, will apply to facilities such as Head Start and prekindergarten programs. Regulations include changes in staff–child ratios, professional development, and facility specifications.

**Arizona's** budget includes funding for the Department of Health Services to hire five additional licensing surveyors in January 2002. Effective April 1, 2002, the state is also implementing new requirements for home-based child care providers who are not licensed or certified by the state, but who desire to register with the child care resource and referral system. To register, an unregulated home provider will now have to: submit to a fingerprint check; pass a Child Protective Services history check; certify that their swimming pools are fenced; maintain current infant/child CPR and first aid training; and certify that firearms and ammunition are separately stored and locked. The implementation of these new requirements also includes a consumer education program to inform parents about the higher standards that are required to register with child care resource and referral programs.

**Arkansas** passed the Children's Product Safety Act, which became effective in January 2002. This Act charges the Attorney General's Office with establishing a registry of unsafe and recalled children's products and with providing this information to child care providers. Providers must self-certify that they have maintained a folder of these notices, made them available to parents and staff, and removed all identified unsafe products.

**Colorado** now requires all individual child care providers to receive training on administering medication to children (formerly, only family child care providers were subject to this regulation). They must receive training in a formal non-credit class from an approved licensed nurse. Child care centers can administer medications under a nurse's delegation authority.

Legislation also created a pilot program for alternative licensing. New models for child care licensing will be developed and demonstrated in Colorado's Consolidated Child Care Pilot sites. The pilot communities will have three years to develop, implement, and evaluate the new licensing models.

Criminal background checks for licensed providers are being strengthened to increase efficiency in comparing municipal records to state records. If a license has been denied or revoked and a relative applies for a license under the term "relative affiliate" the license may be denied.

**Connecticut** will require child care centers that charge a registration fee or demand a deposit to place a child on a waiting list to return it in full if the child is not enrolled within six months. The parent or person who made the deposit must request the refund in writing.

The state is mandating the Department of Public Health to adopt requirements for child care center staff on CPR certification by the American Red Cross or the American Heart Association.

The **District of Columbia** Office of Early Childhood Development (OECD) has a Memorandum of Understanding with the Department of Health Licensing Regulation Administration to provide monitoring, technical assistance, and reporting of all complaints filed against providers. OECD funds five monitoring positions in the Department of Health.

**Florida's** Department of Children and Families has implemented a new online child care licensing system for child care facility inspections. Laptop computers are provided for each licensing counselor to utilize when completing an on-site inspection. Reports are printed and given at the time of the inspection. Counselors then take the information to download into a mainframe computer that will aggregate the data on a statewide basis. The public will be able to access those reports through the department's Web site. The information will also be useful to determine which violations occur most frequently and how training can be tailored around those issues.

**Georgia** established programs to help centers and family child care homes not in compliance with licensing standards to meet standards. The state also developed a Family Child Care Homes of Distinction program, based on the Family Child Care Rating Scale, coordinated with the state's new tiered reimbursement system.

**Hawaii's** legislature passed a bill to require all child care providers, including relative caregivers, to undergo criminal history and child abuse record checks.

Good Beginnings Alliance, through a grant from the Department of Human Services (DHS) and additional private funding, is currently implementing the Hawaii Careers with Young Children Registry and Training Approval System. Through coordination with DHS, the Registry will maintain child care center and family child care practitioner records for DHS licensing qualification. DHS maintains the site visit assessment portion of the licensing process and will make the final decision regarding program licensure.

**Illinois'** Department of Children and Family Services amended the rule that regulates family child care to add 15 clock-hours of in-service training per calendar year. Previously, no such training was required for family child care providers. Numerous topics or courses can meet the requirement, including training in child development, health and sanitation, abuse and neglect, first aid and CPR, and small business management. The training will be phased in over a three-year period. Providers who are already licensed are required to have 7.5 hours for calendar year 2001, 12 hours for calendar year 2002, and 15 hours thereafter. Training hours for newly licensed providers in 2001 will be prorated based on the month of the effective date on the license.

The Department has also completed work on a new project, the key indicator and violations weighting system, that will streamline licensing and offer more consistency in analyzing the licensing violations. The key indicator system will use a set of particular

standards that statistically correlate with the compliance of other standards. During the annual monitoring visit, licensing representatives will first look at these key indicators. If there are no violations of any of the indicators in a given category, the licensing representative will not have to consider any other standards in that category. If a program is found to be in violation of one of the key indicators in a given category, it will engage in a full examination of all of the standards in that category. This streamlining is intended to give licensing representatives more time to consult with providers and greater opportunity to focus on less compliant programs. The weighting system will rank the standards to indicate the level of risk associated with a violation. Each licensing regulation will fall into one of four categories: lower risk, moderate risk, high risk, and highest risk. Each risk category will also be assigned a base level violation number. DCFS will then be able to apply various screens to determine if the base level risk should be upgraded.

**Indiana** hired 17 new state employees to license and monitor family child care homes to replace private contractors. Indiana's Bureau of Child Development has also funded five new full-time fire marshals to dedicate their time to child care facilities. This will allow facilities to become licensed more quickly.

The state passed a significant new statute requiring all providers receiving federally-funded certificates to meet eight minimum standards. In addition, all licensed home providers will be required to be high school graduates and obtain a CDA within three years. As of October 1, 2001, any individual wishing to become a child care provider for the voucher program must meet the new standards. All currently enrolled providers have 12 months to meet the standards. At that point, failure to comply with the standards will result in the inability to receive a voucher payment. The minimum standards are that a provider shall: have a working smoke detector; provide results of a tuberculosis test for themselves and anyone over age 18 living in their home; have written plans for notifying parents of illness, serious injury, or death of a provider, and for care in an emergency; have emergency evacuation plans posted in a conspicuous location; maintain current certification in infant and toddler CPR and first aid; have a working telephone; perform monthly documented fire drills; ensure firearms, poisons, chemicals, bleach, and other cleaning materials are inaccessible to children in care; and provide a copy of limited criminal history for the provider and any individuals over age 18 living in the home. The state also published new proposed child care center rules.

**Kansas'** Department of Health and Environment (DHE) and the Department of Social and Rehabilitation Services (SRS), through a Memorandum of Agreement, are implementing a procedure for child care surveyors to visit 25 percent of the registered child care providers who have an agreement to serve SRS children (children receiving subsidies). According to the current law, licensed child care providers receive an annual visit from the surveyors and registered providers receive a visit only in response to a complaint. The state hopes that by having child care surveyors also periodically visit the registered providers, providers will be informed of resources available to them, ask questions they may have, and learn about opportunities to become licensed child care providers.

**Kentucky's** Governor's Early Childhood Initiative supported an increase in licensor-to-center ratio to 1:50 to allow for better monitoring. The state also implemented a voluntary quality rating system for licensed centers that includes incentives for higher quality programs.

**Louisiana** now requires family child care providers to have current certification in pediatric first aid and CPR in order to be registered for child care assistance payments through the Department of Social Services. The providers must also have 12 hours per year of training related to child care, early education, or child development. The requirement does not apply to family child care providers who do not receive child care assistance payments.

**Maryland** authorized the Child Care Administration to issue citations with civil penalties to unregistered family child care providers, greatly expanding enforcement options. Previously, enforcement was limited to criminal proceedings, which often proved unwieldy.

**Massachusetts** has developed an internal training program for licensing and investigative staff that addresses regulatory issues and helps provide staff with current information on child development, child care, and education issues. The Office of Child Care Services is in the process of placing the training in an electronic library format that staff can access from their desks in order to help improve the quality of the programs they monitor.

The state also established Operation Licensing, a review of all aspects of the licensing process. Some changes include making paperwork less complex, making technical assistance and other information available electronically, and enhancing communication. Massachusetts is also upgrading its licensing and compliance database, which records providers' licensing history, complaints, investigations, and regulatory violations.

**Michigan's** Department of Consumer and Industry Services administrative rules for child care centers were amended in April 2001 to allow those awarded a Montessori credential to qualify as a child care center program director. Licensing staff are enforcing Michigan's Children's Product Safety Act, under which all licensed child care facilities are prohibited from using children's products that have been found to be unsafe by the Consumer Product Safety Commission. All regulated child care providers are now listed at the licensing Web site (www.cis.state.mi.us/brs/cdc). At this site, parents can obtain names, addresses, and phone numbers.

**Montana** moved from requiring no annual training to requiring eight hours of annual training for all providers in both centers and homes.

**Nebraska** drafted new center-based rules and regulations in the fall of 2000. They address safety practices regarding infant care—for example, putting them to sleep on their backs and other safety issues. They have not been approved by the Governor.

**New Jersey** implemented the Child Abuse Record Investigation. New Jersey also changed playground surface requirements, though these changes are not yet in effect.

**New Mexico** now permits licensed family child care homes (allowed a maximum of six

children) to care for up to four infants at one time, if there are two approved caregivers present. If there is only one approved adult present, no more than two children under age two can be present.

**New York** implemented a requirement for 10 hours of health and safety training and background checks for family child care providers.

**North Carolina** established a new policy that will result in licensing consultants visiting family child care homes annually. Previously, visits to homes were only made at initial licensure and when investigating licensing complaints. The Division of Child Development reorganized its licensing section in 2001 and added more staff to monitor child care facilities, using CCDBG funds. Fourteen new lead licensing consultant positions were created to provide more technical assistance to providers and to assist regular child care consultants in initial licensing of programs. The state also established a new rule that requires evacuation cribs in centers that care for infants. Using $646,000 in CCDBG quality funds the Division of Child Development provided evacuation cribs to licensed child care centers. In addition, the Division of Child Development began a process for licensing preschool programs operated by public schools.

**North Dakota** is providing technical assistance and training to the tribes on creating child care licensing regulations.

**Oklahoma** is providing support to almost one-third of state licensing and administrative staff to help them obtain a Master's degree in early childhood education. The state is also implementing a non-expiring license for all licensed facilities (centers and family care) and will focus on ongoing, continual compliance with requirements. Licensing staff make at least three unannounced monitoring visits annually to all licensed centers and family child care homes.

**Oregon** received legislative approval and resources to perform on-site health and safety reviews of all registered family child care providers and to investigate all serious complaints. In 2001, the state completely revised and updated its administrative rules for child care centers and is working on completing revisions to the group home rules.

**Pennsylvania's** Department of Public Welfare plans to conduct child abuse and criminal background clearance checks for those non-regulated providers (home-based with three or fewer children in care) who choose to be paid by DPW rather than paid directly by the parent receiving subsidies. In licensed centers, group child care homes, and registered family child care homes, caregivers' backgrounds are already checked. The new provider checking will be implemented gradually beginning with new families entering subsidized child care; grandparents, aunts, and uncles may be exempted. If past child abuse or criminal offense is found, DPW has the discretion to exclude the provider from DPW payments.

**Rhode Island** implemented changes in requirements for legal non-certified providers. The Department of Human Services no longer accepts out-of-state providers who are not licensed or certified. Every member of a provider's household, regardless of where care is provided, must now be cleared. Non-certified providers are still allowed to operate legally, but only if they care for no more than three unrelated children or six children related to the provider.

**South Carolina's** Department of Health and Human Services allocated an estimated $1.2 million to the Department of Social Services (DSS) Child Care Day Care Licensing to enhance the child care regulatory function and for two unannounced DSS monitoring visits annually to each licensed and faith-based child care provider in the state.

**South Dakota** changed its law so that a person with a substantiated charge of child abuse or neglect cannot operate a family child care home. In addition, an unregulated family child care provider is included in the definition of a custodian, thereby providing the South Dakota Department of Social Services authority to investigate allegations of child abuse and neglect.

Licensing protocols were also changed so that a child care center's license is non-expiring with annual inspections continuing.

**Tennessee** implemented criminal background checks for all persons applying for child care positions, including departmental licensing staff. The state bears the cost of the FBI National Crime Information Center report and the TBI (Tennessee Bureau of Investigation) in-state report; the child care program bears the cost of the fingerprinting itself.

The state also developed a rated license and report card system whereby all licensed providers are evaluated annually at the time of license renewal and issued a rated license and a report card detailing the results of the evaluation. If the child care program meets only minimum licensing standards, they will not receive a rating on the license but will receive and post the Report Card. If they exceed minimum licensing standards, the provider can, upon request, receive a license with a one, two, or three star rating, as well as a marketing quality report card and will be eligible to participate in the Star Quality Bonus program.

Tennessee also implemented a liability insurance regulation, whereby all licensed child care centers must show proof of liability insurance in the amount of $500,000 and all licensed family child care homes and child care group homes must show proof of liability insurance in the amount of $300,000. Program directors must have 36 hours of in-service training within the first year of employment and 18 hours thereafter, and caregivers must have 18 hours of in-service training within the first year of employment and 12 hours thereafter.

The state may impose civil penalties on child care providers in violation of licensing rules. This regulation allows the state to assess a civil penalty for each separate violation of a rule in an amount ranging from $50 for a minor violation up to a maximum of $1,000 for major violations. The state may also partially suspend a program's license depending on the nature of the violation. For example, if a program had a major infraction of the transportation rules (such as leaving a child on the van alone), the state may suspend the transportation portion of the provider's program rather than suspending the entire license and shutting down the program.

**Texas** enacted a law that requires 15 hours of training per year for classroom staff in licensed centers and 20 hours for the director. Included in these hours must be six hours on the following topics (for both directors and employees): child growth and development, guidance and discipline, age-appropriate curriculum, and teacher-child

interactions. The state also developed a checklist for inspection of child care facilities and authorized school districts to pick up and drop off children at child care.

**Utah** increased the minimal health and safety standards for non-related providers who offer care out of their home. They are required to obtain a license or residential certificate in order to receive child care subsidy payments from parents.

**Vermont** revised licensing regulations for early childhood center-based programs in order to increase the amount of training and credentials required for some staff positions and to increase annual training hours. All providers must now have an individual professional development plan. Minimum annual hours of training were increased from six to 12.

**Washington** made a legislative change that will go into effect in July 2002. All licensed or certified child care centers must give notice of pesticide use to parents or guardians of students and employees.

**Wisconsin** now requires training in preventing Sudden Infant Death Syndrome for all child care center staff working with children under 12 months and all regulated family child care providers.

**Wyoming** adopted and implemented new licensing rules that lowered child–staff ratios and group size and increased training requirements.

## Table 7. Early Childhood Training Requirements for Child Care Providers*

| State | Child Care Center Teacher | | Family Child Care Provider | |
|---|---|---|---|---|
| | Pre-service | In-service | Pre-service | In-service |
| Alabama | Yes | Yes | No | Yes |
| Alaska | No | Yes | No | Yes |
| Arizona | No | Yes | No | Yes |
| Arkansas | No | Yes | No | Yes |
| California | Yes | No | Yes | No |
| Colorado | No | Yes | No | Yes |
| Connecticut | No | Yes | No | No |
| Delaware | Yes | Yes | Yes | Yes |
| District of Columbia | Yes | No | No | No |
| Florida | Yes | Yes | Yes | No |
| Georgia | Yes | Yes | No | Yes |
| Hawaii | Yes | No | Yes | Yes |
| Idaho | No | Yes | NA | NA |
| Illinois | Yes | Yes | No | No |
| Indiana | No | Yes | NA | NA |
| Iowa | No | Yes | NA | NA |
| Kansas | Yes | Yes | No | Yes |
| Kentucky | No | Yes | No | Yes |
| Louisiana | No | No | NA | NA |
| Maine | No | Yes | No | Yes |
| Maryland | Yes | Yes | Yes | Yes |
| Massachusetts | Yes | Yes | Yes | Yes |
| Michigan | No | No | No | No |
| Minnesota | Yes | Yes | No | Yes |
| Mississippi | No | Yes | NA | NA |
| Missouri | No | Yes | No | Yes |
| Montana | Yes | No | No | No |
| Nebraska | No | Yes | No | Yes |
| Nevada | Yes | Yes | No | Yes |
| New Hampshire | Yes | Yes | No | Yes |
| New Jersey | Yes | Yes | NA | NA |
| New Mexico | No | Yes | No | Yes |
| New York | No | Yes | No | Yes |
| North Carolina | No | Yes | No | Yes |
| North Dakota | No | Yes | No | Yes |
| Ohio | No | Yes | NA | NA |
| Oklahoma | No | Yes | No | Yes |
| Oregon | No | Yes | Yes | Yes |
| Pennsylvania | No | Yes | No | Yes |
| Rhode Island | Yes | No | No | Yes |

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**Table 7. Early Childhood Training Requirements for Child Care Providers* *(continued)***

| State | Child Care Center Teacher | | Family Child Care Provider† | |
|---|---|---|---|---|
| | Pre-service | In-service | Pre-service | In-service |
| South Carolina | No | Yes | No | No |
| South Dakota | No | Yes | NA | NA |
| Tennessee | No | Yes | No | Yes |
| Texas | Yes | Yes | No | Yes |
| Utah | No | Yes | No | Yes |
| Vermont | Yes | Yes | Yes | Yes |
| Virginia | No | Yes | NA | NA |
| Washington | Yes | Yes | Yes | Yes |
| West Virginia | No | Yes | No | No |
| Wisconsin | Yes | Yes | No | Yes |
| Wyoming | No | Yes | No | Yes |

* If a state has requirements for training not specified in early childhood (such as first aid/CPR) that can substitute for training in early childhood education, it is reported as "No."

† "Family child care" in this table refers to one provider legally caring for one or more unrelated children in the provider's residence and "NA" means that a state does not regulate this type of caregiver.

*Source:* Data compiled by Wheelock College Institute for Leadership and Career Initiatives from licensing regulations posted on the National Resource Center for Health and Safety in Child Care's Web site: http://nrc.uchsc.edu.

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## Table 8. Maximum Child–Staff Ratio Requirements for Child Care Centers for Selected Ages

| State | 6 weeks | 9 months | 18 months | 27 months | 3 years | 4 years |
|---|---|---|---|---|---|---|
| Alabama* | 6:1 | 6:1 | 8:1 | 8:1 | 12:1 | 20:1 |
| Alaska | 5:1 | 5:1 | 6:1 | 6:1 | 10:1 | 10:1 |
| Arizona | 5:1/11:2 | 5:1/11:2 | 6:1/13:2 | 8:1 | 13:1 | 15:1 |
| Arkansas | 6:1 | 6:1 | 9:1 | 9:1 | 12:1 | 15:1 |
| California* | 4:1 | 4:1 | 6:1 | 6:1 | 12:1 | 12:1 |
| Colorado* | 5:1 | 5:1 | 5:1 | 7:1 | 10:1 | 12:1 |
| Connecticut | 4:1 | 4:1 | 4:1 | 4:1 | 10:1 | 10:1 |
| Delaware | 4:1 | 4:1 | 7:1 | 10:1 | 12:1 | 15:1 |
| District of Columbia | 4:1 | 4:1 | 4:1 | 4:1 | 8:1 | 10:1 |
| Florida | 4:1 | 4:1 | 6:1 | 11:1 | 15:1 | 20:1 |
| Georgia | 6:1 | 6:1 | 8:1 | 10:1 | 15:1 | 18:1 |
| Hawaii* | PRH to 6 weeks | 4:1 | 6:1 | 8:1 | 12:1 | 16:1 |
| Idaho | 6:1 | 6:1 | 6:1 | 12:1 | 12:1 | 12:1 |
| Illinois | 4:1 | 4:1 | 5:1 | 8:1 | 10:1 | 10:1 |
| Indiana | 4:1 | 4:1 | 5:1 | 5:1 | 10:1 | 12:1 |
| Iowa | 4:1 | 4:1 | 4:1 | 6:1 | 8:1 | 12:1 |
| Kansas* | 3:1 | 3:1 | 5:1 | 7:1 | 12:1 | 12:1 |
| Kentucky* | 5:1 | 5:1 | 6:1 | 10:1 | 12:1 | 14:1 |
| Louisiana | 5:1 | 5:1 | 7:1 | 11:1 | 13:1 | 15:1 |
| Maine | 4:1 | 4:1 | 5:1 | 5:1 | 10:1 | 10:1 |
| Maryland | 3:1 | 3:1 | 3:1 | 6:1 | 10:1 | 10:1 |
| Massachusetts* | 3:1/7:2 | 3:1/7:2 | 4:1/9:2 | 4:1/9:2 | 10:1 | 10:1 |
| Michigan* | 4:1 | 4:1 | 4:1 | 4:1 | 10:1 | 12:1 |
| Minnesota | 4:1 | 4:1 | 7:1 | 7:1 | 10:1 | 10:1 |
| Mississippi | 5:1 | 5:1 | 9:1 | 12:1 | 14:1 | 16:1 |
| Missouri | 4:1 | 4:1 | 4:1 | 8:1 | 10:1 | 10:1 |
| Montana | 4:1 | 4:1 | 4:1 | 8:1 | 8:1 | 10:1 |
| Nebraska | 4:1 | 4:1 | 6:1 | 6:1 | 10:1 | 12:1 |
| Nevada* | 4:1 | 6:1 | 8:1 | 10:1 | 13:1 | 13:1 |
| New Hampshire | 4:1 | 4:1 | 5:1 | 6:1 | 8:1 | 12:1 |
| New Jersey | 4:1 | 4:1 | 7:1 | 7:1 | 10:1 | 12:1 |
| New Mexico | 6:1 | 6:1 | 6:1 | 10:1 | 12:1 | 12:1 |
| New York | 4:1 | 4:1 | 5:1 | 5:1 | 7:1 | 8:1 |
| North Carolina* | 5:1 | 5:1 | 6:1 | 10:1 | 15:1 | 20:1 |
| North Dakota | 4:1 | 4:1 | 4:1 | 5:1 | 7:1 | 10:1 |
| Ohio* | 5:1 | 5:1 | 6:1 | 7:1 | 12:1 | 14:1 |
| Oklahoma | 4:1 | 4:1 | 6:1 | 8:1 | 12:1 | 15:1 |
| Oregon | 4:1 | 4:1 | 4:1 | 4:1 | 10:1 | 10:1 |
| Pennsylvania* | 4:1 | 4:1 | 5:1 | 6:1 | 10:1 | 10:1 |
| Rhode Island | 4:1 | 4:1 | 6:1 | 6:1 | 9:1 | 10:1 |
| South Carolina | 6:1 | 6:1 | 6:1 | 10:1 | 13:1 | 18:1 |

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**Table 8. Maximum Child–Staff Ratio Requirements for Child Care Centers for Selected Ages *(continued)***

| State | 6 weeks | 9 months | 18 months | 27 months | 3 years | 4 years |
|---|---|---|---|---|---|---|
| South Dakota | 5:1 | 5:1 | 5:1 | 5:1 | 10:1 | 10:1 |
| Tennessee | 5:1 | 5:1 | 7:1 | 8:1 | 10:1 | 15:1 |
| Texas | 4:1/10:2 | 4:1/10:2 | 9:1 | 13:1 | 17:1 | 20:1 |
| Utah | 4:1 | 4:1 | 4:1 | 7:1 | 12:1 | 15:1 |
| Vermont | 4:1 | 4:1 | 4:1 | 5:1 | 10:1 | 10:1 |
| Virginia* | 4:1 | 4:1 | 5:1 | 10:1 | 10:1 | 12:1 |
| Washington | 4:1 | 4:1 | 7:1 | 7:1 | 10:1 | 10:1 |
| West Virginia | PRH to 12 weeks | 4:1 | 4:1 | 8:1 | 10:1 | 12:1 |
| Wisconsin | 4:1 | 4:1 | 4:1 | 6:1 | 10:1 | 13:1 |
| Wyoming* | 4:1 | 4:1 | 5:1 | 8:1 | 10:1 | 12:1 |
| NAEYC-Recommended Child–Staff Ratios | 3:1 or 4:1 | 3:1 or 4:1 | 3:1, 4:1, or 5:1 | 4:1, 5:1, or 6:1 | 7:1, 8:1, 9:1, or 10:1 | 8:1, 9:1, or 10:1 |

Key: NR = Not Regulated; U = Unspecified; PRH = Prohibited

*__Alabama:__ incremental changes have been set as follows.

| Age | Child–staff ratio Effective 1/22/02 | Effective 1/22/03 |
|---|---|---|
| 0–12 mos | 5:1 | 4:1 |
| 12–18 mos | 7:1 | 6:1 |
| 18 mos–2.5 yrs | 7:1 | 6:1 |
| 24–36 mos | 8:1 | 7:1 |
| 2.5–4 yrs | 11:1 | 10:1 |
| 4 yrs–school age | 18:1 | 16:1 |
| school age–8 yrs | 21:1 | 20:1 |
| 8 yrs and older | 22:1 | 20:1 |

The term school age refers to children of lawful school age who are enrolled in public or private school.

**California:** For school-age programs, one teacher and one aide are required for every 28 children; 29–42 children require two teachers and one aide; 43–56 children require two teachers and two aides.

**Colorado:** Child:staff ratios shown in the table are for large centers of more than 12 children. Small centers care for seven to 12 children and are required to have two staff members on duty at all times.

**Hawaii:** Children under two years are prohibited from mixed centers. Hawaii has a separate set of regulations for infant/toddler programs. Ratios shown in the table are the maximum allowed in infant/toddler programs. The state allows the following as well:

| Age | Maximum Group Size 6 | 8 | 10 | 12 |
|---|---|---|---|---|
| 6 wks to 12 mos | 3:1 | 4:1 | | |
| 12 mos to 24 mos | 3:1 | 4:1 | 5:1 | 6:1 |
| 18 mos to 36 mos | | | 5:1 | 6:1 |

**Kansas:** Ratios shown in table are the maximum allowed for these age groups. The state allows the following as well:

| Age | Child–staff ratio |
|---|---|
| 2 to 3 yrs | 7:1 |
| 30 mos to school age | 10:1 |
| 3 yrs to school age | 12:1 |
| Kindergarten | 14:1 |
| School age | 16:1 |

**Kentucky:** In part-day programs for school-age children, the ratio for children seven years and older is 25:1.

**Massachusetts:** Ratio of 10:1 and group size of 20 applies to three- and four-year-old children attending full day; ratio of 12:1 and group size of 24 applies to three- and four-year-old children attending part day. For school-age children in preschools, the ratio is 15:1 with a maximum group size of 30; for school-age children in school-age programs, the ratio is 13:1 and the group size is not limited.

**Michigan:** For school-age children 13 years to 17 years, the child–staff ratio is 30:1.

**Nevada:** Center classrooms with children over two years but under three years are required to have a child–staff ratio of 10:1. Otherwise, the ratios in child care centers are based on the total number of children in care, not the age of the children. Requirements for children two-years-old and older in child care centers are as follows:

| Total # of Children in Care | Total # of Caregivers Required |
|---|---|
| 1–6 | 1 |
| 7–20 | 2 |
| 21–35 | 3 |
| 36–50 | 4 |
| 51–65 | 5 |
| 66–80 | 6 |
| 81–93 | 7 |

For every additional 13 children above 93, one more caregiver is required. Ratios shown in table were calculated based on the maximum number of children allowed to one caregiver.

**North Carolina:** Ratios shown are for medium and large centers with 30 or more children. Small centers, which care for up to 29 children, are required to follow these child:staff ratios:

| Age | Child–staff ratios |
|---|---|
| 0 to 12 mos | 5:1 |
| 12 to 24 mos | 6:1 |
| 2 to 3 yrs | 10:1 |
| 3 to 5 yrs | 15:1 |
| 5 yrs and over | 25:1 |

**Ohio:** Child–staff ratios for 12–18 months is 6:1; 5–10-year-olds in school/kindergarten is 18:1; 11–14-year-olds is 20:1.

**Pennsylvania:** Center child–staff ratio for children 0–12 months is 4:1; 13–24 months is 5:1; 25–36 months is 6:1; "preschool" (37 months+)–entry into first grade is 10:1; first grade through third grade is 12:1; fourth grade to 15 yrs. is 15:1.

**Virginia:** Staff–child ratios for 16–24 months is 5:1; 24 months to 4 years is 10:1. The 5-year-old ratio is based on school eligibility; if a child is five by September 1, then the 20:1 ratio applies; if the child turns five after September 1, then the 12:1 ratio applies.

**Wyoming:** Ratios are also regulated for children to 2 or 3 staff members.

| Age | Child–staff ratio |
|---|---|
| 0–12 mos | 8:2, 10:3 |
| 12–24 mos | 10:2, 12:3 |
| 24–36 mos | 16:2, 18:3 |
| 3 years | 20:2, 24:3 |
| 4–5 years | 24:2, 30:3 |
| 6–12 years | 32:2, 40:3 |

*Source:* Data compiled by Wheelock College Institute for Leadership and Career Initiatives from licensing regulations posted on the National Resource Center for Health and Safety in Child Care's Web site: http://nrc.uchsc.edu.

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# INFANT AND TODDLER CARE

During the 1990s, research on early brain development coalesced around one important concept: that the earliest years of development were critical to later learning and school success. The environments that our youngest children are in—whether at home or in child care—are critical to support early learning.

Yet, in 2001, a new report by the David and Lucile Packard Foundation found that not enough is being done to ensure that young children receive the support they need during this important time. *The Future of Children: Caring for Infants and Toddlers* notes that three out of five mothers of children under age three were employed in 2000, with close to 6 million infants and toddlers cared for by someone else while their mothers worked. Very young children spend an average of 25 hours per week in child care. The report notes that "children benefit from care in safe surroundings with ample verbal and cognitive stimulation, responsive caregiving, and plenty of attention. But of all child care services, care for infants and toddlers is the most scarce, expensive, and disappointing from a quality perspective."[29]

Paid parental leave should be the first component in any effort to improve the quality and availability of care for infants and toddlers. Yet many parents cannot take time off from work to care for their children themselves. No state has implemented a family leave policy to support new parents through unemployment insurance, and only five states allow new mothers to use temporary disability benefits for wage replacement before and after childbirth.

Parents who must work are faced with few options for their young children. Across the country, parents of infants and toddlers face long waiting lists for slots in child care programs. In the **District of Columbia**, nearly

6,000 young children were waiting for care.[30] Low-income families who need help paying for care for their very young children may have even more trouble finding care that meets their needs.

In 2001, states used the $100 million set-aside within the Child Care and Development Block Grant, as well as other funds, to help address these issues. **Alabama** improved staff–child ratios in infant/toddler classrooms to meet nationally recommended levels by 2003. **Iowa** and **Kentucky** joined **Kansas** in providing infant/toddler specialists in resource and referral agencies to work with providers to improve the quality of care. The specialists will disseminate information on best practices and offer new training opportunities. **Oklahoma** expanded access to the state's First Start program, which offers a full-day, full-year program for children birth through three and requires programs to meet Early Head Start performance standards. **Montana** expanded an incentive program to encourage providers serving infants and toddlers to get additional training. **Utah**, **West Virginia**, **Wisconsin**, and **Wyoming** created specific infant/toddler credentials within their professional development systems.

## New State Actions 2001: State by State Details

**Alabama** implemented new minimum standards that will increase training for infant/toddler staff and will reduce the child–staff ratio. The new ratio requirements will be phased in between January 22, 2002 and January 22, 2003. Infant-to-provider ratios will gradually decrease from 6:1 in 2001, to 5:1 in 2002, and to 4:1 in 2003.

**Alaska's** resource and referral agencies started a recruitment drive for additional infant and toddler care providers. They also sponsored several training sessions for providers on infant and toddler care.

**Arkansas'** Quality Initiative pilot projects addressed the quality and supply of care for infants and toddlers. Results were documented in replication manuals that were made available to other programs in the fall of 2001.

**California** designated an additional $2 million to increase family child care training for infant and toddler care with the CCDBG quality set-aside.

The **District of Columbia** offered more than $1 million in start-up and expansion grants to increase the number of slots for infant and toddler care in family child care homes and centers, adding 496 new infant and toddler slots in FY 2001. The District also implemented the Early Child Care for Infants Special Training using the Creative Curriculum for Infants and Toddlers. The Early Childhood Leadership Institute at the University of the District of Columbia using the WestEd program provided the infant and toddler training.

**Georgia** appropriated $230,000 in CCDBG funds for direct training of providers in infant/toddler brain development and $600,000 in

CCDBG funds for infant/toddler mini-grants and training.

**Hawaii's** Department of Human Services has released a contract to increase the availability of training for infant and toddler caregivers. The contract, for $150,000, was awarded to People Attentive to Children (PATCH), the state resource and referral agency. It focuses on using the WestEd approach to caring for infants.

**Illinois** earmarked approximately $500,000 for mini-grants to centers and family child care home providers. These funds will be distributed through child care resource and referral agencies to improve the quality of infant and toddler care.

**Indiana** created a competitive grant process for infant/toddler initiatives. The funding is from the CCDBG quality set-aside, with private sector support from the Indiana Child Care Fund, Inc. All grant proposals must be public-private partnerships with private sector funding.

**Iowa** is using the CCDBG infant/toddler earmark funding to implement WestEd training on infant/toddler care. Five infant/toddler specialists will also be placed in the five resource and referral lead agencies. In addition, a new state-level infant/toddler coordinator/professional development position was funded by Head Start. The position is housed in the Department of Human Services.

**Kansas** has infant/toddler specialists located in 16 resource and referral agencies who began the second stage of a two-stage study involving approximately 200 child care providers to determine current levels of child care quality offered to infants and toddlers. A second study will be used to assess the correlation between changes in quality and participation in the activities of the Infant/Toddler Project.

CCDBG earmarked funds were added to the 2002 Infant/Toddler Project contract to expand training resources for the specialists and enhance their compensation. The state's Request for Proposals for CCDBG funds included a component for employer-sponsored child care. Using funds from this grant, five businesses in the Topeka area pooled their resources and worked with a local child care provider to establish additional infant/toddler slots for their employees and the public.

**Kentucky** increased reimbursement for infant/toddler care in the child care assistance program, as a result of the market rate survey conducted in 2001. In addition, there will be 18 new infant/toddler specialists located in the resource and referral agencies who will be working primarily with unregulated providers, but also with regulated providers, to improve infant/toddler care and to develop more of this care where needed. These specialists are funded through CCDBG quality dollars.

**Maine's** Department of Human Services held an Infant/Toddler Summer Institute. The Institute was designed to improve the quality of care through training and funds for equipment. Equipment grants were based on the number of new infants and toddlers the providers planned to enroll. Providers who attended the Institute and completed the course requirements received three credits from the University of Maine at Farmington.

**Michigan** has provided additional funds for training infant/toddler caregivers through the Michigan 4C Association, the statewide

resource and referral network. In FY 2000, there was a single, 16-hour course; in 2001, there was a second 16-hour course, and in 2002, there will be a third and final course. The three courses are based on the WestEd curriculum and should meet all of the training requirements for Early Head Start.

**Montana's** Infant/Toddler Demonstration Project was funded to encourage more providers to care for infants and toddlers and to improve the quality of care. Programs must meet higher standards and receive additional funding to pay for staff training and higher staff salaries. Scholarships were also made available for specialized training in working with infants and toddlers.

**Nebraska** drafted new center-based rules and regulations in the fall of 2000. The rules address safety practices regarding infant care such as putting infants to sleep on their backs. They have not been approved by the Governor.

**Nevada's** Welfare Division of the Department of Human Resources, in collaboration with Head Start, will be opening a center to train child care providers at the Southern Nevada Professional Development Center, which will also include infant and toddler classrooms.

**North Carolina** added $700,000 in CCDBG quality funds to the Provider Enhancement Grants initiative. This project funds grants to child care providers to make improvements to their programs that impact the health, safety, and nutrition of infants and toddlers. With CCDBG funds, North Carolina also plans to add child care health consultants, who offer technical assistance to providers on children's health issues. In addition, the state established a new rule that requires evacuation cribs in centers that care for infants. The Division of Child Development provided evacuation cribs to licensed child care centers at a cost of $646,000. The evacuation crib initiative was funded with CCDBG quality funds.

**North Dakota** used Bush Foundation funds to implement the Infant/Toddler Environmental Rating Scale (ITERS) in infant/toddler rooms in child care centers. The foundation provided $1,000 per child care program to purchase equipment or training that would improve scores.

**Oklahoma's** First Start program increased its slots by 25 percent. The program offers full-day, full-year care for 558 infants through three-year-olds. Programs must meet Early Head Start performance standards and become nationally accredited.

**Pennsylvania's** Department of Public Welfare contracted with the Capital Area Early Childhood Training Institute to develop a model infant/toddler mentoring program. This effort will be expanded into two additional communities in the coming year.

**South Carolina's** Department of Health and Human Services (DHHS) has awarded over $2.7 million in grants to child care providers to implement, expand, or enhance the quality of infant/toddler care. To enhance the quality of infant-toddler programming throughout the state, DHHS provided scholarships for graduate-level credit coursework offered by faculty from WestEd and the University of South Carolina. The state also increased the supply of infant/toddler slots through the child care assistance program by making contracted infant/toddler slots available to providers enhancing or expanding their infant/toddler programs.

**South Dakota** supported a six-class series on responsive parenting featured in the fall of 2001 on South Dakota public TV. Viewers included parents, grandparents, adoptive parents, child care providers, teachers, and others involved with young children. As of December 2001, 684 of these viewers had requested free materials offered on the program that reinforce topics such as communication, developmental milestones, temperament, health, safety, stress, and encouragement. The entire series is currently available on videotape for $15 through the Office of Child Care Services.

In addition, 100 individuals from across the state have been trained as trainers in the responsive parenting curriculum. Each of these trainers completed an intensive course in the care of infants and toddlers through either WestEd or the Common Sense Parenting course prior to becoming a trainer. A majority of the classes are held at child care programs to increase convenience and availability for parents. Since January 2001, 67 classes have been held in 22 communities with 581 parents registering to attend.

The state also implemented Tribal Curriculum Training. The seven tribal infant/toddler coordinators developed a manual to help infant/toddler trainers gain a better understanding of the Native American culture. The one-and-a-half-day training provided insight into child-rearing practices, some of the traditions and ceremonies of the culture, myths and facts, and communication differences. The event also provided a traditional meal and pow-wow for participants.

**Tennessee** initiated an Infant/Toddler Model Site program through a contract with Tennessee State University. This initiative establishes model infant/toddler programs (using the WestEd Program for Infant and Toddler Caregivers training) throughout the state. These programs will serve as host observation and mentoring sites for the administrators and caregivers of licensed child care centers, family child care homes, and group homes providing infant and toddler care. The objective is to bridge the gap between knowledge and practice by allowing providers the opportunity to see established best practice in action and receive support in implementing the same practices in their programs.

**Texas** enacted a bill that will establish three pilot projects for family child care networks to serve children birth to three. Some local workforce boards also implemented rate changes to stimulate supply and improve the quality of care for infants and toddlers.

**Utah** added an Infant/Toddler Endorsement to the Career Ladder Program. This endorsement consists of 40 hours of training in caring for infants and toddlers. The state gave out Infant/Toddler Quality Improvement Grants totaling $746,000 to 23 child care centers. Recipients were required to demonstrate improvements in quality based on the ITERS. In addition, at least one caregiver in each infant/toddler group was required to complete 40 hours of infant/toddler training using the WestEd training program. Over 350 smaller quality improvement grants were also awarded to family and center child care providers caring for infants and toddlers.

**Vermont** targeted $806,000 of the CCDBG for infant/toddler challenge grants to expand capacity. This funding is above that required in the infant/toddler set-aside.

**Washington's** Division of Child Care and Early Learning awarded three contracts for recruitment and retention (one statewide through the state child care resource and referral network) for a total of $5.9 million, all of which is intended to build capacity and to improve the quality of care for infants and toddlers.

**West Virginia** established a new infant/toddler certification program.

In **Wisconsin**, 100 infant/toddler credentials were awarded to providers in 2001. Recipients of the infant/toddler credential have completed 12 credits in infant/toddler training and a portfolio that includes a variety of materials that reflect the individuals' experiences while completing the coursework.

**Wyoming** implemented an infant credential and increased availability of WestEd training. A portion of the grants awarded to improve the capacity and quality of child care programs were earmarked for infant/toddler care.

# SCHOOL-AGE CARE

Nearly 7 million school-age children are home alone after school each week[31] during the afternoon hours when juvenile crime peaks,[32] yet options during out-of-school time for families with school-age children are extremely limited. The opportunities to participate in after-school activities are especially limited for low-income children. Only one-quarter of school-age children living in families below the poverty line participate in at least one enrichment activity after school, compared to over half of children living in families at or above 200 percent of the poverty line.[33]

These discrepancies are particularly troubling given the importance of after-school activities. Research has consistently shown that participation in after-school programs can help keep children safe while supporting their school success. A new study offers further evidence of the importance of investments in school-age care. Teenagers who participate in after-school, extracurricular activities—such as bands, sports teams, clubs, and community groups—are more likely to graduate from high school than those who spend their afternoon hours without adult supervision, according to the study.[34]

There is widespread support for investments in programs for school-age children. Seven out of ten voters would support increasing federal funding for after-school initiatives by $800 million a year, and more than half also support increasing state funding for after-school programs.[35]

In 2001, two states took actions that are especially troubling and will further limit the availability of school-age care for low-income families. **Oregon** made 12-year-olds ineligible for child care assistance unless they have special needs or circumstances. **Massachusetts** eliminated funding for the Safe and

Healthy After-School Program, which served 27,000 children, and cut funds for the Targeted Cities Program, which supports after-school programs for at-risk youth in 11 cities, while providing some new funds for other programs.

Several states, including **Arizona**, **Arkansas**, the **District of Columbia**, **Iowa**, **Maine**, **Massachusetts**, **Nevada**, **Pennsylvania**, **Rhode Island**, **South Dakota**, **Tennessee**, **Utah**, **Vermont**, **Washington**, and **Wyoming** created or expanded existing initiatives for school-age children in 2001. **Arizona** and **Pennsylvania** financed these expansions with TANF funds, which may not be an ongoing source of funding. States also made grants available to provide technical assistance, help programs reach accreditation, and improve the availability and quality of school-age programs.

**Alabama** revised its minimum standards to increase training requirements for school-age teachers and to improve staff–child ratios. The staff–child ratio for school-age children up to eight years of age in a center is 1:22 in 2001, 1:21 in 2002, and 1:20 in 2003. The staff–child ratio for children over eight years of age in a center is 1:25 in 2001, 1:22 in 2002, and 1:20 in 2003. License-exempt providers who care for children receiving subsidies were also required as of September 1, 2001 to certify that they meet the minimum standards.

**Arizona** appropriated $500,000 from the TANF block grant to the Department of Economic Security to expand teen mentoring, youth leadership, homework assistance and tutoring, and other activities for young teens during out-of-school hours.

**Arkansas** used quality funds in pilot projects for school-age care. Projects working on accreditation, expansion, and collaboration were targeted to receive funds. These projects developed replication manuals for use by other programs. Mentoring and pre-employment training and regional and statewide school-age conferences were also held.

**California's** Governor approved increased funding for on- or near-site, school-age programs that are principally tutorial or remedial in nature. As a result of the downturn in the economy and the fiscal crisis in California, those funds were cut prior to implementation, which was scheduled for January 2002.

**Connecticut's** Accreditation Facilitation Project has begun to work on National School-Age Care Alliance (NSACA) accreditation. Also, the state established a CDA for school-age providers through Connecticut Charts-A-Course.

The **District of Columbia** issued Requests for Applications and intergovernmental Memoranda of Understanding to support various school-age initiatives. The District's Office of Early Childhood Development partnered with District of Columbia Public Schools to support the After Care for All program, which provided free after-school care to 12,350 children in 100 sites—an

increase from the 7,000 children at 56 sites served in FY 2000. The District also partnered with the District of Columbia Charter Schools, Boys and Girls Clubs, and other groups to provide technical assistance to help them complete the licensing process to operate school-age child care programs.

**Florida** authorized the Department of Children and Families to develop standards for school-age care allowing a credentialed director to supervise multiple before- and after-school sites. The state also passed legislation regarding the Department's ability to develop standards for school-age programs; the standards are in the process of being developed. The law went into effect July 1, 2001.

**Illinois'** General Assembly unanimously passed the Illinois Afterschool Initiative, which creates a task force, co-convened and chaired by the Illinois Department of Human Services and the Illinois State Board of Education. The task force is charged with assessing the current state of after-school services in Illinois, reviewing model programs in Illinois and other states, and developing a plan to ensure quality after-school programs for every school-age child in the state. The initiative will be comprised of other related state agencies, local government entities, and private organizations representing constituencies with a stake in the after-school issue. The task force is scheduled to report to the General Assembly in April 2002.

**Iowa** is using CCDBG funds for grants to school-age providers for equipment, training, and transportation costs.

**Kansas** provided training to 15 participants from Kansas, Nebraska, and Colorado to become endorsers for the NSACA accreditation program. Currently, only two programs in Kansas have school-age accreditation status.

**Kentucky** has a work group that is currently meeting to develop regulations regarding school-age care. It is planned that these regulations will be enacted in 2002.

**Maine** used funds to improve the quality of school-age care, to support a conference for school-age care providers, to increase the number of providers through technical assistance for new programs and school administrators, for collaborative planning with the Department of Education, and for partial support of an AmeriCorps Promise Fellow to focus on school-age care.

**Massachusetts** eliminated funding for the Safe and Healthy After-School Program. Hundreds of programs and over 27,000 children and youth in these programs will be affected. The Targeted Cities program, which funds after-school programs for at-risk youth in 11 cities was also cut. While $1.4 million for matching grants to specific youth-serving organizations was retained, the other monies were eliminated altogether. In Boston alone, the cuts in these two state-funded programs will deny after-school services to over 1,600 students. The proposed rate increase for school-age care has also been eliminated.

The state is now funding two school-age projects through the Advancing the Field initiative at the State Department of Education. The Advancing the Field initiative is designed to promote professional development of child care staff through higher education. Beginning in fall 2001, two

partnerships of community colleges and child care organizations will develop and implement school-age certificate or Associate's degree programs, which will serve up to 70 school-age staff seeking higher education specifically related to their profession. In addition to helping the students achieve a credential or degree, the projects will develop a career ladder to help promote advancement opportunities and market the credential curriculum to other community and state colleges to expand educational opportunities. Contracts have been awarded, but no money has been distributed yet.

The Department of Education also funds grants to local communities for after-school programs along with quality improvement support. Each year, the grant amount has been subject to excessive earmarking in the state budget process. After several years of working with legislators to address this issue, the grant funds have now been separated out into their own line item, while earmarked items remained in the old line item. This makes it easier to sustain the current program funding as well as help save future increases from further earmarking. Additionally, the new line item received increased funding for the after-school grants program.

School-age providers who participate in the tiered reimbursement rate initiative for program assessment are learning to use the SACERS quality assessment tools to evaluate the quality of their programs.

**Montana** contracted with the state resource and referral network to coordinate school-age programs. A School's Out Task Force met during the year and is developing program standards, staff requirements, and other standards for school-age programs.

**Nevada** has increased funding for school-age contracts for before- and after-school care by approximately $1.6 million.

**North Carolina** funded Rated License Quality Enhancement Grants at $96,622 for school-age programs that made quality improvements in order to become licensed or to meet higher levels of licensure. A video in Spanish was also created to advise Spanish-speaking parents on how to choose quality school-age child care. This video will be distributed throughout the state by the Department of 4-H Youth Development.

**Oklahoma** raised the reimbursement rate for school-age children in a higher quality child care facility effective January 1, 2002. A blended rate for children ages four and older who require part-time care during days school is in session and full-time care during school holidays was also implemented as of that date. The state convened a legislative task force on out-of-school programs that will present a report and recommendations to the 2002 legislature.

**Oregon** made 12-year-olds ineligible for child care assistance unless they have special needs or circumstances.

**Pennsylvania** allocated $15 million from the federal TANF block grant for youth development programming for children ages six to 16 in FY 2001–02 within the state Department of Labor and Industry.

**Rhode Island** invested $100,000 over two years in an out-of-school time initiative with United Way and other partners.

**South Dakota** provided Out-of-School Time (OST) grants totaling $1.3 million to 41

projects serving 63 program sites in 39 communities across the state.

In 2001, interested OST program directors statewide initiated "Afterschool Day at the Capitol" to let the legislature know how important school-age programs are and showcase several programs. This group returned to the Capitol in February 2002.

**Tennessee**, via a contract with the Tennessee School-Age Care Alliance, initiated Project B.A.S.I.C.S. (Before/After School Improvement in Child Care Services). This project's goal is to establish quality school-age programs throughout the state by offering school-age child care providers technical assistance and mentoring services, free school-age training, monitoring and consultation, scholarships for in-depth training and conferences, assistance with procuring materials needed for quality programs, and resource and reference materials.

**Texas** made a change that authorizes school districts to pick up and drop off children at child care.

**Utah** uses quality funds to support out-of-school time care. The Office of Child Care currently manages 23 contracts and 66 program sites in 11 counties. These programs serve approximately 7,400 children.

**Vermont** appropriated $150,000 through the general fund for start-up and expansion grants for before- and after-school programs.

**Washington's** Division of Child Care and Early Learning awarded three contracts for recruitment and retention (one statewide with the Washington State Child Care Resource and Referral Network) for a total of $5.9 million in CCDBG quality funds. All projects involved building capacity and improving quality of school-age programs. The Division of Child Care and Early Learning also awarded three contracts for middle school care quality and supply for a total of $613,000.

In addition, the state created a new academic fund through the ballot initiative process for school districts to use for a variety of efforts that support student success. Funds may be used for activities such as starting after-school programs, early childhood education programs, and class size reduction. The Office of the Superintendent of Public Instruction, the fund administrator, will track how funds are being used and if existing out-of-school-time programs or early childhood education programs are being displaced.

**Wyoming** awarded child care capacity and quality grants to address school-age care.

# ODD-HOUR CARE

Since the passage of welfare reform, many more parents are working, typically in low-wage jobs and often during nontraditional hours, including nights, weekends, and shift work. Currently, one-quarter of low-income families work evening or overnight hours,[36] but few providers offer child care during these times. For example, in Maine only 2 percent of centers and 6 percent of licensed family child care homes are open in the evenings; only 1 percent of centers and 5 percent of family child care homes are open on the weekends; and less than 1 percent of centers and 4 percent of family child care homes are open overnight.[37] As the economy declines, more families may be forced to accept work during these hours. Parent surveys indicate that those with irregular work schedules are more likely to be dissatisfied with their child's care, yet do not have the option of placing their child in the arrangement that the family would most prefer.[38]

States have addressed the need for additional child care during these hours in several ways. **Alaska**, **Arkansas**, **Kansas**, **Maine**, **Massachusetts**, **Montana**, and **Washington** have launched efforts to expand the supply through grants and loans and recruitment drives. **Kansas** makes Early Head Start programs available during nontraditional hours so that families with very young children who work nonstandard hours can access high quality programs.

In 2001, **Illinois**, **Maine**, **New Mexico**, and **West Virginia** created differential rates for care during odd hours to help more low-income families access this type of hard-to-find care. In **West Virginia**, however, the state made it more difficult for providers to get the increased rate.

**Alaska's** resource and referral agencies started a recruitment drive for additional nontraditional-hour care providers.

**Arkansas'** local Transitional Employment Agency Coalitions used TANF funds to assist in expansion of odd-hour care targeting specific employer needs within communities.

The **District of Columbia** continued to increase the number of providers offering child care during nontraditional hours. At the end of FY 2001, more than 20 family child care providers and three child development centers operated during nontraditional hours. In addition, 32 providers offered extended hours of care, remaining open between the hours of 6:00 and 8:00 p.m. or opening before 7:00 a.m.

The Penn Quarter Partnership opened in FY 2001 as a downtown child care public/private partnership to provide high quality child care and education for 130 infants through preschool-age children from lower income families and those who require nontraditional-hour care. Partners include the Washington Post, Host Marriott, the Public Benefit Corporation, and the DC Office of Early Childhood Development.

**Illinois** began a pilot program in 2000 involving nine odd-hour care programs, offering higher reimbursement rates and other resources for start-up costs for new programs, classroom materials and supplies, and modifications required to comply with licensing. Preschool providers received an additional $2 per day, and infant providers received an additional $3 per day. In 2001, local welfare offices have targeted specific areas with known need to expand the pilot to eight additional sites.

**Kansas** Early Head Start programs provide child care during nontraditional hours based on community need. This has been successful due to the collaboration efforts of the Early Head Start programs and their community child care partners. Kansas also continues to give priority to grant applicants providing odd-hour care.

**Maine** earmarked specific funds for odd-hour care through its child care certificate program. The state also allowed an enhanced rate for odd-hour care through the certificate program.

**Massachusetts** awarded contracts to establish pilots for nontraditional-hour child care in each of the state's six human service regions. A variety of center-based care and family child care models were selected and are now in operation. The pilots are being evaluated to determine which are most effective at meeting families' needs for this type of care.

**Montana** focused some of its Child Care Provider Grants on expanding hours for evening and weekend care.

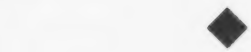
**New Mexico** now pays a 10 percent differential for care provided during nontraditional hours—between the hours of 7 p.m. and 7 a.m.—in all child care settings, for all ages.

**Washington's** Division of Child Care and Early Learning awarded three contracts for recruitment and retention (one statewide

with the Washington State Child Care Resource and Referral Network) for a total of $5.8 million. All of these involved building capacity of nonstandard-hour care.

**West Virginia** raised reimbursement rates for nontraditional-hour care by $3 per day. To qualify for the bonus, providers will now be required to operate a minimum of four hours during the evenings and weekends.

# SPECIAL NEEDS CARE



Families who have children with special needs face many challenges, particularly when trying to find high quality, appropriate child care, early education, and school-age programs for their children. While research has shown that both children with special needs and other children benefit from inclusive settings, few such opportunities are available in most communities. As with other families, the availability of affordable child care is critical to helping families of children with special needs find and retain employment. Studies show that child care can be one of the highest expenses for families with children with special needs. One study found that 45 percent of mothers of an infant with a disability reported that they were not planning to work because they could not find child care.[39] Even when care is available, a lack of training and other supports means that these families must struggle to help providers understand their special needs.

In 2001, **California**, **Massachusetts**, and **North Carolina** invested funds to make child care for children with special needs more widely available. In order to make child care more affordable for the families of children with special needs receiving child care assistance, six states reported implementation of a higher reimbursement rate, including **Alaska**, **Connecticut**, **Kansas**, **Maine**, **New Hampshire**, and **Oklahoma**. **South Dakota** launched a pilot project that will pay a bonus of $100 per month to new family child care providers who commit to caring for children with special needs.

Several states created or continued initiatives to better coordinate services for families of children with special needs, including **Indiana**, **Louisiana**, **Maine**, **Massachusetts**, **Montana**, **Nebraska**, and **Washington**. States also funded initiatives to expand training for providers working with children with special needs, including the creation of a special credential in **Utah**.

## NEW STATE ACTION 2001: STATE BY STATE DETAILS

**Alaska** implemented Alaska IN, which serves as an enhanced referral and supplemental child care subsidy system for children with special needs. The state implemented a systems development initiative on inclusion in child care, which focuses on infrastructure and capacity building. The first project included increasing the child care subsidy for children with special needs based on appropriate training and care. Other projects aim to assure appropriate child care settings for all children (not only those in subsidized care), make appropriate accommodations, and promote inclusion in child care centers.

**California** funded a coordinated effort between resource and referral programs and local planning councils (child care planning councils in every county) to distribute funds to programs that are not receiving child care subsidies to provide additional resources to meet the needs of children with disabilities.

**Connecticut's** providers who offer subsidized care to children with documented special needs will receive a payment increase of 15 percent and may receive up to a 35 percent payment increase for specific documented costs of care.

**Georgia** funded the Inclusion Project with federal dollars. An inclusion specialist will be housed in each regional resource and referral agency to help parents find child care for children with special needs, train providers, coordinate resources, use the toy lending library to make resources available to parents and caregivers, and collect data.

**Idaho's** Training in a Manila Envelope (TIME, funded at $179,970) is a statewide project funded by the Idaho Department of Health and Welfare to provide training in the inclusion of infants and toddlers with disabilities in typical child care settings. The TIME program utilizes materials developed by the University of Montana Rural Institute on Disabilities. Participants are mailed weekly packets of materials including readings and projects; they implement the projects within their own child care centers. Participants are assigned a specially trained Learning Facilitator who guides them through coursework primarily via phone, email, and written feedback. In the written feedback, the Learning Facilitator answers questions and suggests approaches to real world problems and situations. The Learning Facilitators will also visit participants during the year to provide individualized support and direction.

**Illinois** passed legislation that will require child care directors and owners (including licensed family child care) to receive training on including children with special needs in their programs. The Departments of Human Services and Children and Family Ser-

vices are working together to develop these rules, and it is unknown when they will go into effect.

**Indiana** established a Special Needs Child Care Task Force with several key objectives approved and supported by the Governor's Office, including access, affordability, adequate training, and recruitment of special needs specialists to start or work in regular child care settings. The state is developing an appropriate reimbursement rate depending upon the severity of a child's disability. The state is also developing formal agreements with the Departments of Education, Health, and Medicaid to ensure adequate comprehensive care for severely handicapped children.

**Kansas** had based its special purpose child care rates for its subsidy program on parent eligibility, the needs of the child, and the status of the child care provider. In 2000, Kansas began paying for child care based on the needs of the parent and the services the child care provider had to offer to meet the child's needs. Special purpose rates may be paid to any center—not just to those designated as special purpose centers—pending approval by Social and Rehabilitation Services.

**Louisiana's** Department of Social Services is actively engaged in promoting the Map to Inclusive Child Care initiative, with a statewide leadership group. However, no funds have been appropriated for the effort.

**Maine's** Child Care Plus ME is a new collaboration among the University of Maine, the Center for Community Inclusion, and the Office of Child Care and Head Start. The goal of this project is to develop a comprehensive system to support the provision of and access to high quality child care for all children, particularly those with challenging medical and behavioral health care needs, and to prevent children from being excluded from mainstream child care programs. A mental health consultant, a health consultant, and three early childhood consultants provide technical assistance, training, and financial support to child care providers serving children with special needs. The state also implemented an enhanced reimbursement rate for children with special needs.

**Massachusetts** set aside an initial 50 income-eligible child care vouchers for families receiving early intervention services from the Department of Public Health (DPH). The state Office of Child Care Services (OCCS) and DPH are jointly funding early intervention regional consultation programs to support child care resource and referral agencies' enhanced information and referral programs for children with disabilities as well as the services in the family's early intervention service plan.

In addition, the state has flexible funding to allow providers who contract with the income-eligible child care program or have a voucher agreement with the program to hire additional staff or purchase special equipment to care for children whose needs might otherwise be unmet.

OCCS is also working closely with the Department of Medical Assistance and the Massachusetts Behavioral Health Partnership (MBHP) to provide comprehensive mental health services on site at OCCS-contracted supportive child care programs. Currently seven supportive child care programs across the state are accessing OCCS flexible funding for consultation services

from a MBHP clinician. The program is being expanded to five new child care sites.

Massachusetts received a $300,000 federal grant for coordination of inclusive child care services and is working to create and manage one unified system. An evaluator will assess the project in 2002.

**Michigan's** Family Independence Agency contracted with the Michigan Public Health Institute (MPHI) to study child care for children with special needs. MPHI will look at factors contributing to the cost of care and conduct focus groups of parents and providers to develop recommendations on how to better support families that have children with special needs.

**Montana** issued a Request for Proposal for coordination of programs and services for inclusive child care. The state is also in the process of revising its payment structure and moving to a negotiated rate for children with special needs based on need rather than a set state rate.

**Nebraska** initiated the Personal Development Facilitator's Institute in October 2001 to engage early intervention and early childhood special education teachers and related service providers across the state in an interactive and ongoing learning process related to providing services in natural and least restrictive environments. The state Departments of Education and Health and Human Services also provided SpecialCare Outreach training to home- and center-based child care providers to expand natural and inclusive child care placement options for families of young children with disabilities.

The Early Development Network includes 29 Early Childhood Planning Region Teams, which are made up of local schools, health and human services agencies, Head Start, families, and others, serving almost 1,000 children in Nebraska from birth to age three. They have produced coordinated training materials and run ChildFind, a program that works to identify children with special needs. The state Departments of Education and Health and Human Services have facilitated joint meetings with 14 regional training projects, Head Start, and the planning region teams that have included all day training and train-the-trainer opportunities.

**Nevada** expanded efforts to train family child care providers to work with special needs children.

**New Hampshire** implemented a special needs rate differential of $4 per day.

**North Carolina** passed legislation that budgets $400,000 to fund a pilot project to address the needs of medically fragile children who are unable to be served in regular child care settings. Of the amount budgeted, $300,000 is slated to come from CCDBG. The legislature also reorganized early intervention services and dissolved the Division of Early Intervention and Education. All early intervention services were transferred to the Division of Public Health. Also, 14 positions in the Audiology section of Early Intervention Services are no longer being funded.

**Oklahoma** implemented new add-on rates for children identified as having severe or moderate disabilities ($14 per day for a child with severe and $8 per day for children with moderate disabilities) effective December 1, 2000. Children must be income-eligible and be receiving Social Security or participating in special education in the public schools or

the state's early intervention program. Child care providers must meet the child's needs and obtain additional technical assistance and training.

**Oregon** expanded the inclusive child care pilot project, which provides additional funding for children with special needs. The pilot project, which began with three counties, is now available to families statewide.

**South Dakota** established the Child Care Provider Incentive Project with a grant from the Council on Developmental Disabilities. The project is recruiting 10 providers to become registered Family Day Care Homes committed to caring for children with special needs. Providers will receive $100 per month in additional compensation if they are serving a child with special needs whose family is receiving child care assistance. An Inclusive Child Care Workgroup was established. The workgroup developed a series of recommendations for improving child care services to children with disabilities; half of the recommendations have been acted on or are in the process of being implemented.

**Utah** added a Special Needs Endorsement to the Career Ladder Program. This endorsement consists of 40 hours of training in caring for children with special needs. Utah also offers a higher subsidy rate for income-eligible children with special needs, extends the age limit to 18 for children with special needs, and provides a one-time grant for necessary support, equipment, and supplies for the child care provider.

**Vermont's** Child Care Services contracted with mental health agencies to run therapeutic child care programs and to recruit, train, and mentor individual aides to work in programs serving children with special needs. The state invested $200,000 of general funds, which are in the Child Care Services Division's budget. These funds are used toward the state match for Medicaid through an interdepartmental transfer to the Department of Mental Health.

The state Department of Education promulgated changed requirements for eligibility for children under Part C and Part B of IDEA.

**Washington** shifted $2.5 million per year for two years ($5 million for July 2001 to June 2003) of CCDBG quality dollars to the Department of Health (DOH) to initiate a statewide system of supports for families who have children with special needs and their child care providers. This project is a partnership between DOH, the Washington State Child Care Resource and Referral Network, the University of Washington, and the 34 local health jurisdictions (public health departments). It includes enhanced resource and referral for families, intensive training for caregivers, and on-site consultation for families and caregivers.

In a separate effort, the state set aside CCDBG quality dollars for a few communities to provide one-on-one on-site consultation services for children with special needs in child care environments. The Division of Child Care and Early Learning awarded four contracts specifically to address the support of children with special needs in child care for a total of $618,917.

A separate recruitment and retention initiative includes components to recruit child care providers to care for children with special needs. The larger initiative, funded by the Division of Child Care and Early Learning, awarded three contracts for recruitment

and retention (one statewide with the Washington State Child Care Resource & Referral Network) for a total of $5.9 million.

**West Virginia** invested $126,000 in assistive technology equipment to be loaned to centers and family child care providers. The equipment is available from six specially equipped vans and training specialists through the Traveling Resources and Information Library System (TRAILS), operated by the child care resource and referral agencies.

# PREKINDERGARTEN, HEAD START, AND COLLABORATION

Forty-six percent of kindergarten teachers report that half of their class or more have specific problems when entering kindergarten, including difficulty following directions, lack of academic skills, and/or difficulty working independently.[40] Research has consistently demonstrated that participation in high quality prekindergarten programs can be critical to later school success. Children in these programs develop better language skills and have a higher likelihood of future school success. A recent study of Michigan's prekindergarten program reinforced the positive impact of a strong early learning experience. In kindergarten, teachers rated children who had participated in the program significantly better than their peers who didn't attend the program in language, literacy, logic, math, music, movement, creativity, social relations, and initiative. In fourth grade, 24 percent more program students passed the Michigan Educational Assessment Program (MEAP) reading test and 16 percent more passed the MEAP math test than their nonprogram classmates. A third fewer program students had to repeat a grade than nonprogram students, saving the state $11 million annually.[41]

Every child should have access to high quality early learning opportunities that meet their needs—whether in Head Start, child care, or other prekindergarten programs. Programs should also be available on a full-day, full-year basis to meet the needs of working families as well. Across the country, there is growing support for investments in these programs. In February 2002, the Committee on Economic Development released a report calling for

federal and state governments to make early education available to all children three and older, and in late 2001 the American Federation of Teachers called on states to make quality prekindergarten available to all children whose parents want them to participate.

And yet, according to "Quality Counts 2002," a review of state early education policies from *Education Week*, access to high quality early care and education continues to be out of the reach of many families.[42] Low-income families in particular have trouble finding prekindergarten programs. Currently, only 44 percent of children ages three to five and not yet in kindergarten who are in families with incomes below $15,000 a year are participating in prekindergarten programs, compared with 71 percent of children in families with incomes of $75,000 or more.[43]

States continue to expand access to prekindergarten programs. Forty-three states now have some kind of early learning program for three- to four-year-olds, although most are targeted to children at greatest risk. In 2001, **Arkansas** implemented a beer tax to raise funds for its prekindergarten program, Arkansas Better Chance. **Hawaii** made new investments in prekindergarten in 2001, increasing total funding by $5.55 million for the year. This included $2.5 million for a new Pre-Plus initiative that will build preschool facilities on public school land and support prekindergarten programs. In all, 15 states created or expanded prekindergarten programs, including **Alabama**, **Colorado**, **Georgia**, **Hawaii**, **Kansas**, **Louisiana**, **Maryland**, **Michigan**, **Nebraska**, **Nevada**, **New Jersey**, **North Carolina**, **Oklahoma**, **Tennessee**, and **Wyoming**. In addition, a number of states continued efforts to make Head Start services available on a full-day basis to working families.

This news, however, is mixed. **Louisiana**, **Tennessee**, and **Wyoming** used no state funds to provide prekindergarten for low-income children, instead choosing to use federal TANF funds—which may not be available in future years as the economy weakens. **Ohio**, which had been a model state in providing nearly universal access to Head Start programs for all eligible children, is in the process of replacing all state funds with TANF funds, as well as decreasing the overall budget available for prekindergarten.

Several states made it more difficult for children to access prekindergarten. In **Florida**, the state legislature repealed the state prekindergarten program, choosing to leave it up to the discretion of the county Partnerships for School Readiness (local planning councils that are charged with coordinating and improving services for children zero to five) whether to provide prekindergarten services. **Iowa** cut funding for its

prekindergarten programs. **Michigan's** School Readiness Program's FY 2002 funding has been cut by $16.7 million, and funding for FY 2003 is in jeopardy.

## STATE ACTION 2001: STATE BY STATE DETAILS

**Alabama** expanded the number of its prekindergarten sites from eight to 43. This included 22 sites funded with state dollars; eight were funded by a public-private joint effort with assistance from Lucent Technologies Foundation and 13 were funded with an Appalachian Regional Commission Grant. The state also added four sites for Early Head Start programs and established the Governor's Early Learning Commission, which involves the business community, the academic community, policymakers, the faith community, child care providers, advocates, parents, and health professionals. The 45 recommendations of the ELC report will provide the foundation for building the Early Care and Education system in Alabama. The ELC report recommendations were organized under four investment strategies—organization of services, early care and education, parenting, and public awareness.

**Arkansas** established the Arkansas Better Chance Evaluation task force to study cost, quality, and child assessment issues related to expanding funding opportunities for public prekindergarten programs.

Early Care Curriculum Frameworks and Infant/Toddler Curriculum Frameworks with strategies and activities are now available for caregivers' use. Statewide training is conducted on the frameworks.

The state also enacted a beer tax to fund child care and early education programs. A 3 percent tax on retail beer sales will generate approximately $6.6 million in SFY 2002 and $9.75 million in SFY 2003—80 percent is earmarked for the Arkansas Better Chance prekindergarten program, and 20 percent will fund child care subsidies for low-income families. The provision will sunset after two years.

In **California**, some local organizations are using Prop. 10 funding (a dedicated tobacco tax to help improve services for children and families) to "purchase" additional hours in order to expand Head Start services to full day. Over 60 percent of the California Head Start grantees are co-funded by the state to provide families with full-day/full-year services. A number of Head Start grantees and delegates have designed fiscal and operational models that allow collaboration between state-funded preschool programs and state-funded full-day child care programs to blend with Head Start for full-day services.

The state also approved legislation to require Head Start and state-funded programs to transfer a child's information to public kindergarten with parental/guardian permission when in the best interest of the child.

The California Children and Families (Prop. 10) Commission (CCFC) has committed $200 million over several years for a statewide school readiness initiative that targets neighborhoods with schools most needing improvement as measured by the Academic Performance Index. The CCFC will partner with the Office of the Secretary for Education and other state agencies on this effort. They will provide incentive grants to be matched by county commissions

and other local resources to develop local school readiness centers and programs that demonstrate a coordinated research-based approach to early care and education.

**Colorado** expanded its prekindergarten program by 1,000 slots, 500 of which may be used for full-day kindergarten.

**Connecticut** added its School Readiness (state prekindergarten program) dollars to the Priority School District line item, creating something similar to a block grant. The state also passed legislation that makes technical changes to current School Readiness language. Most of the changes incorporate pre-literacy training standards into School Readiness programs.

The federally funded QUILT project facilitated two successful ventures in Connecticut. QUILT completed a matrix document on Connecticut's early care and education programs and a Memorandum of Agreement on joint Head Start monitoring. QUILT worked with the federal Head Start and child care offices, state staff from the Departments of Social Services and Education, the Connecticut Head Start Collaboration director, and local Head Start program directors.

The **District of Columbia** converted 72 existing Head Start slots to Early Head Start slots in FY 2001, in response to the critical demand for infant and toddler care.

**Florida's** legislature repealed the state prekindergarten program effective July 1, 2001, as well as a number of other statutes that support children and families, including Healthy Start, a program that provided health and early childhood supports for young children and their parents. The repeal leaves it up to the discretion of the county Partnerships for School Readiness (local planning councils that are charged with coordinating and improving services for children zero to five) whether they will provide prekindergarten services or fund Healthy Start.

**Georgia's** Head Start grantees received federal funding to start family child care-based Head Start programs. Counties continue to use state child care subsidies to extend the day and provide summer care for eligible families participating in the state's universal prekindergarten program or Head Start.

**Hawaii** appropriated $2.5 million for a new Pre-Plus program to build preschool facilities on public school land. A request for proposals has been issued for Head Start and private preschool providers to service the facilities built for Pre-Plus. All of these facilities will be on existing school campuses. As part of the proposal, providers must offer affordable, accessible options to increase the availability of quality early learning experiences to families who desire, but cannot afford preschool for their children. The programs are expected to become accredited within three years of opening.

The state allocated $3 million in additional federal funds to the Preschool Open Doors program operated by the Department of Human Services to support Pre-Plus. The Grant-in-Aid funding for the Good Beginnings Alliance was increased from $150,000 to $300,000 as well. This allows the Good Beginnings Alliance to re-establish Count Coordinators and to play key roles in projects such as the School Readiness Task Force.

In addition, the Department of Human Services is planning a public awareness cam-

paign to increase the number of children who attend preschool. The effort targeted to parents will send a message that "preschool by four" is a good school readiness strategy for children.

The 2001 Legislature also appropriated an additional $5.7 million for Healthy Start as an emergency appropriation, as well as $11 million for statewide expansion of the program. The administration of the Head Start Collaboration Grant ($125,000) has been moved to the Department of Human Services.

**Illinois'** Governor convened the Task Force on Universal Access to Preschool, which recommended that the state fully implement an "Illinois Preschool" program by 2012. The proposed program would incorporate existing early childhood learning programs to give all Illinois families access to high quality prekindergarten options for their three- and four-year-olds.

**Indiana** is participating in a formal partnership with Indianapolis Head Start to serve families on the waiting list for child care subsidies who are Head Start-eligible. This partnership has allowed 700 low-income children to move off the waiting list. The Indianapolis project will be replicated throughout the state for Head Start and Early Head Start programs offering full-day services. This effort will allow Head Start to fill its classrooms and make them eligible for enhancement grants through CCDBG. At that time, Head Start-eligible infants and toddlers on the CCDBG waiting list will also be able to receive services.

**Iowa** cut funding for its Child Development programs by $634,000.

**Kansas** expanded funding for its four-year-old at-risk prekindergarten programs by approximately $3 million to reach 1,526 additional children. The program now serves a total of 3,756 children with $5 million. The state also expanded collaboration with child care partners as a result of the Kansas Early Head Start program. Partnership agreements were formalized with existing child care partners. Due to this collaboration all children—Head Start and non-Head Start—benefited from improved child care quality. In addition, the Head Start Collaboration Office initiated Head Start Parent Advocacy Training, in which two Head Start parents from each of the 31 Head Start programs are invited to participate in an advocacy training opportunity. Most of the action took place in the Capitol building where parents learn about current local, state, and national issues and how to contact and communicate with their elected officials. Some of the special issues covered were access to dental care, federal and state tax options, utility bills, children with special needs, and Kansas Early Head Start.

**Louisiana** enacted a new prekindergarten program, supported by $15 million in TANF funds. All school districts are eligible to apply for funding and the state has selected 12 districts for grants. They will begin operating their prekindergarten programs in January 2002. An estimated 3,800 four-year-olds who are eligible for free and reduced-price lunch will be served. Grantees are required to offer a quality program within the public schools. If there is not room in the public schools for prekindergarten classes, programs can operate in Head Start. The Head Start program, however, must meet all of the same requirements that apply to public schools, including the requirement for a certified

teacher. Programs must operate for six hours a day and offer an additional four hours of before- and/or after-school care. TANF funding covers the full 10 hours. If districts are receiving the TANF prekindergarten funding, they must provide a 10-hour day for all of their other early childhood programs as well. TANF-funded prekindergarten programs must collaborate with other early childhood programs. This program is operated separately from the existing Preschool Block Grant program and administered by the Department of Education.

Louisiana has also appropriated $10 million in TANF funds for the last two years to Head Start for wrap-around care, but less than $1 million was used. Consequently, the state recently reallocated that money for other purposes. Those Head Start programs that have wrap-around programs will continue to receive funding.

**Maine** held a statewide conference focusing on collaboration among public school prekindergarten programs, Head Start programs, and child care programs in October 2001. This joint effort between the Offices of Child Care and Head Start at the Departments of Human Services and Education examined local collaborative programs now available as models and provided information about funding possibilities and techniques for additional collaboration.

**Maryland** allocated $19 million to local jurisdictions to create or expand prekindergarten through grade three programs. The Governor also expanded funding for the Judith P. Hoyer Early Child Care and Education Enhancement Program by $3.6 million. The program funds "Judy Centers," early childhood education centers that house a variety of support services for children and their families. Judy Centers focus on ensuring that children enter school ready to succeed by providing a menu of coordinated services available according to the child's and the family's needs. Frequently (but not necessarily) based in local schools, Judy Centers are required to partner with existing programs within the community to ensure a collaborative service delivery system. By the end of this year, the state hopes to establish a Judy Center in each of Maryland's 24 jurisdictions.

**Michigan** increased funding for the Michigan School Readiness Program by $29.4 million to bring total state funding for this program to $101.8 million in FY 2001. However, in FY 2002, the program was cut by $16.7 million. This cut includes $16 million in funds that were designed to extend the part-day program to a full-day program and a reduction of $50,000, or 16 percent, for evaluation. A new program—All Students Achieve Program-Parent Involvement and Education (ASAP-PIE)—was implemented in FY 2001 and continues in FY 2002. This program provides $45 million in state funds each year to improve parenting skills, encourage two-parent families, improve children's school readiness, and decrease the number of children needing special education services in elementary schools. The program serves children from birth to kindergarten entry and supports parents and their young children through home visits, parent group meetings, comprehensive periodic developmental screening, networks of community resources, and referrals to high quality preschool programs. Communities were required to develop collaborative proposals; grants were awarded to 23 intermediate school districts as lead agencies.

Grantees were allowed to spend up to 5 percent of their awards for a collaborative statewide media campaign. The program is forward funded so that FY 2002 funds can be spent until June 30, 2003, but new funding for FY 2003 is in doubt.

**Montana** used $2 million in TANF carryover funds for a Children as Scholars program, which provided funds through child care resource and referral districts to support full-day/full-year child care programs that meet Head Start standards. The program requires community partnerships.

**Nebraska's** legislature passed a measure to fund early childhood projects across the state. These projects are collaborative and require school districts and Head Start to be a part of the effort. Proposals were due in the fall of 2001; funding will be awarded to a limited number of projects.

**Nevada** increased prekindergarten funding by $281,000 in order to reach families with summer programming. The Governor's new budget included $3.5 million in each year of the biennium for expanding existing early childhood education programs. Nevada has also continued wraparound funding for Early Head Start and Head Start programs. The state Welfare Division of the Department of Human Resources, in collaboration with Head Start, will be opening a center to train child care providers at the Southern Nevada Professional Development Center, which will include infant and toddler classrooms.

**New Jersey's** Department of Human Services offered Head Start programs $3,000 per child (in addition to Head Start funding) to provide non-Abbott classrooms in Abbott districts (the 30 poorest school districts, which are part of a State Supreme Court decision that mandates high quality early education for preschool children in those districts). The state also initiated training collaboratives for school district and child care staff members. The state increased funding by approximately $1,000 per child for early education in the 30 Abbott school districts to bring total state funding to $9,000 per child.

**New Mexico's** legislature appropriated $500,000 for the Office of Child Development for increased community-based services.

In **New York**, the prekindergarten program has been frozen to districts already participating in the program. No new districts may participate. Because the state budget was not passed until October (past the beginning of the school year), localities were allowed to use prekindergarten funds for other uses.

**North Carolina** completed it first Kindergarten Readiness assessment at a cost of $775,000 in 2001. A sample of 1,223 kindergartners in schools from across the state were assessed to see how prepared they were to enter school at the beginning of the 2000–01 school year. The schools they attended were evaluated for their capacity to prepare them for school success. The study found that, as a group, North Carolina kindergartners' skills in five areas of development and learning were about the same or lower than kindergartners nationally and that North Carolina kindergartners from lower-income families entered school at a significant disadvantage.

The Governor convened a task force in 2001 to make recommendations for a new prekindergarten initiative, More at Four, for at-risk four-year-old children. More at Four

allows prekindergarten services to be delivered in a variety of child care settings, including public schools, Head Start programs, and public or private child care programs. Smart Start, the state's early childhood initiative, is expected to play a vital role in facilitating More at Four's development. The state provided $6.5 million to pilot this project in SFY 2001–02.

**Ohio** replaced state funds previously used for Head Start with TANF funds. Of the $98 million available for Head Start, only $22.7 million will be from state general revenue funds in 2001, a decrease of $78.1 million. Not only were state dollars cut, but the overall budget for the Head Start program was cut by $2 million. In 2002, all funding for the state Head Start program will be made directly from TANF. Fewer Head Start children will be served but children currently eligible for child care assistance that are enrolled in a child care/Head Start partnership program will be eligible for Head Start if their family's income is below 185 percent of the federal poverty level (the same as the state's child care eligibility cutoff).

**Oklahoma** continued to expand its prekindergarten program, which is available to all children in districts that choose to offer it. More than 50 percent of all four-year-olds attend either full- or part-day programs. State funding for prekindergarten increased by approximately $7 million, bringing total prekindergarten funding up to $55 million for the 2000–01 school year.

**Oregon's** 2001–03 legislature provided a budget note that requires the Department of Education to work with the Employment Department to ensure that the child care funds for Head Start expansion are included in the state plan for CCDBG. A budget note was also included for the Employment Department requiring it to ensure that $1.2 million of CCDBG funds are available to Head Start for full-day and wrap-around services.

**Pennsylvania's** Department of Public Welfare will use $2 million of new federal TANF funds for technical assistance ($400,000) and start-up grants ($1.6 million) for state Head Start programs to help them convert half-day classrooms to expanded-day and/or expanded-year programs.

**Rhode Island** funded four Comprehensive Child Care Networks, which encourage collaboration between Head Start and child care (as well as other providers). The state also increased reimbursement rates for children enrolled in comprehensive child care services programs (CCSP) with certified CCSP providers. For example, the state will pay $77 per week per three- to four-year-old (over and above the child care subsidy payment for that child) because of the enhanced services CCSP provides.

**South Carolina's** Department of Health and Human Services (DHHS) used $2.6 million in CCDBG funds to extend the daily and yearly hours of child care offered in Head Start and Early Head Start programs.

**South Dakota** instituted continuous eligibility for one year for Head Start children enrolled in child care programs in 2000 and included Head Start programs in the South Dakota Apprenticeship program. The program combines 300 hours of applied education and 4,000 hours of on-the-job training to prepare individuals to work effectively with young children. The 300 hours of instruction will earn each participant 23 col-

lege credits. As of October 15, 2001, 17 Early Childhood Programs have become registered apprenticeship sites with 41 apprentices registered at these sites. Scholarships are available for the classroom instruction and the mentor is paid a $100-per-month stipend.

**Tennessee's** Department of Human Services contributed $9 million in TANF Bonus funds to the Department of Education to expand the state's prekindergarten program.

**Vermont** expanded contracts with Head Start for full-day, full-year services.

**Washington** reduced the total number of slots in its prekindergarten program—ECEAP—in order to increase the total funding per slot and to restore the quality and comprehensiveness of services.

Head Start, prekindergarten (ECEAP), and child care administrators held meetings to discuss braided funding models. Braided funding models permit full-day programs to use child care funding as a base and Head Start or ECEAP funds to provide comprehensive services. The Department of Social and Health Services clarified that programs provided under TANF could participate in this model. This decision allows families receiving child care subsidies to qualify for Head Start services.

The Governor created a new Division of Child Care and Early Learning that included the consolidation of all child care and early learning programs except the state prekindergarten program, ECEAP.

Washington will use Initiative 728 dollars for prekindergarten in local schools. Initiative 728, passed by Washington voters, creates a new academic fund for school districts to use for a variety of efforts that support student success. Funds can be used to start early childhood education and other programs. The state also launched an initiative to build public will and support for early care and education among educators and businesses.

**West Virginia's** Department of Education hired its first coordinator of early childhood programs.

**Wyoming** provided $1.4 million of federal TANF funds through the Department of Education to support preschool programs for economically disadvantaged preschool-age children who are at risk. It is only a one-year opportunity at this time.

In order to qualify for the funds, a program must offer high quality, developmentally appropriate preschool designed to promote school readiness. Programs must meet Head Start standards or be designed to include the six quality indicators featured in the U.S. Department of Education's *Guide to High-Quality Early Childhood Education Programs*, "Building Strong Foundations for Early Learning." Programs will use the Head Start Child Outcomes Framework as a basis for curriculum planning.

The state also implemented a pilot project in Laramie County to train providers in the CDA and Head Start performance standards.

# EARLY LITERACY

Every child needs constant support and encouragement to develop early literacy skills. Children without adequate verbal skills, access to books, or opportunities to use written and oral language are more likely to enter school behind their peers. Low-income children often lack these resources and, as a result, start kindergarten at a serious disadvantage. A recent study of kindergartners in North Carolina found that lower-income children were much more likely than their higher-income peers to have very low scores on measures of language skills (38 percent versus 6 percent).[44]

Developing early literacy is necessary for any education reform agenda to succeed. There is growing recognition of the importance of young children receiving the experiences—both in the home and out of the home—that they need to support their development and prepare for school. A White House Summit on Early Childhood Cognitive Development held in the summer of 2001 highlighted how essential it is to help children get off to a strong start.

Some states have taken the lead and have begun a range of initiatives to promote early literacy in child care and early education environments. Several states, including **Alabama**, **California**, and **Nebraska** have implemented "Heads Up! Reading," a professional development program designed to teach providers to encourage early literacy skills in young children. Several additional states have created other teacher training programs with the same goal. **Massachusetts'** tiered reimbursement system requires providers to develop a curriculum plan for literacy in order to qualify for the first level of the rate increase. **Michigan** launched several efforts to promote early literacy but then reversed course and cut funding in only the second year.

## NEW STATE ACTION 2001: STATE BY STATE DETAILS

**Alabama** developed the Heads Up! Reading Alabama program in 2001, an early childhood professional development program to teach providers how to encourage early literacy skills in young children. The program is available in 64 high poverty communities, and it serves children from low-income families and families where English is not the primary language. The state also established the Governor's Early Learning Commission, which involves the business community, the academic community, policymakers, the faith community, child care providers, advocates, parents, and health professionals. The 45 recommendations of the ELC report will provide the foundation for building the early care and education system in Alabama. The ELC report recommendations were organized under four investment strategies—organization of services, early care and education, parenting, and public awareness.

**Arkansas** implemented collaborative efforts among state agencies, including staff from Head Start, the Department of Education, early intervention services, and the Division of Child Care and Early Childhood Education, and several universities (University of Arkansas-Fayetteville, University of Arkansas-Little Rock, and Arkansas State University) that resulted in the development of a research-based prekindergarten literacy training program. The training modules are being used to train early childhood staff in developing emergent literacy skills in prekindergarten children. Training will be available statewide and an evaluation project will review the child and teacher outcomes from the delivery of the modules.

The state also dedicated funds to prekindergarten literacy training development and delivery, extending the Early Childhood Framework strategy and activity training on a statewide basis, developing the Infant and Toddler Curriculum Frameworks and developmental assessments, and planning and developing training for caregivers working with English as a second language families.

**California** extended its locally facilitated trainings on its Prekindergarten Learning and Development Guidelines, utilizing the facilities of the Heads Up! Network, for an additional two years and expanded the program to include Spanish simulcasts and translated materials.

**Connecticut** adjusted legislation to ensure that School Readiness program personnel have a professional development plan that includes training on promoting children's pre-literacy skills.

The **District of Columbia** implemented new provider training with an emphasis on literacy development. Two three-day institutes were offered: Literacy through the Arts and Early Literacy Development. The Early Childhood Learning Institute at the University of the District of Columbia offered the training. Imagine Tomorrow, an interactive learning program where children learn to use computers and the Internet, was piloted in four child care programs that receive subsidies.

The Office of Early Childhood Development joined in a public/private partnership with WETA, a public broadcasting station, to expand its efforts to reach consumers. WETA's

"Ready to Learn" program provides workshop training to child care center staff and parents to enhance the educational value of the children's programming and offers teachers guides, free books, and other materials.

**Georgia's** First Lady has initiated "Book Worms," a reading program that encourages volunteers, caregivers, and families to read to children daily. The First Lady is touring the state to promote this program, visiting child care providers and other locations, reading to children, and generating media attention around reading. Public service announcements have also been developed.

**Illinois'** First Lady convened an Implementation Team comprised of professionals from the field of early care and education and state agencies to consider bringing Heads Up! Reading to Illinois as part of her Futures for Kids initiative. The team recommended that Illinois aim for statewide implementation in the fall of 2001. Illinois had 24 classroom sites and 334 participants scheduled for the fall quarter.

**Iowa's** First Lady spearheaded an effort to improve literacy for Iowa's children. The Department of Education received a federal grant to launch an effort called "Every Child Reads." Staff provide information, technical assistance, and training to early childhood professionals across the state. Grants were made available through the Community Empowerment programs (which support local councils to strengthen families and early childhood options) to initiate early childhood literacy efforts in local communities. There are no additional state funds allocated for the project.

**Kansas**, as a result of the Road to School Readiness Conference held in November 2000, formed a NextSteps Committee to create a working vision and guiding principles for the state's commitment to families and child care professionals. This committee is comprised of representatives of the state Departments of Education, Health and Environment, and Social and Rehabilitation Services, the Children's Cabinet, the Kansas Head Start Collaboration Office, Kansas In-Service Training Services, resource and referral agencies, and the United Way. In addition, with funding from the State Commission of Governors, a conference targeting business leaders and policymakers was held in September to promulgate the ideas and gain support.

**Massachusetts** implemented a tiered reimbursement system for center-based and family child care providers who contract with Office of Child Care Services (OCCS) or hold a voucher agreement to provide child care assistance to families. The system has four tiers, plus a stipend option based on the provider's participation in four quality initiatives. The first initiative, Literacy Development for School Readiness, is mandatory. To qualify for the rate increase, providers must develop a curriculum plan for literacy that is approved by OCCS. This year, OCCS developed a training on emergent literacy to help child care providers participating in the initiative develop an appropriate curriculum. Family child care providers in Massachusetts were given information on the importance of books and reading in preparing children for later success in school. Licensors distributed 21,000 books during their visits to these providers.

**Michigan's** FY 2001 "ASAP" legislation set aside $50 million for grants to school districts under the All Students Achieve Program—Literacy Achievement Program (ASAP-LAP) to improve early literacy for children from prekindergarten through grade four. Districts could choose to implement one of several models to provide supplementary support for low-achieving students. An additional $28 million (originally $38 million was allocated) was spent in 2001 for summer school programs in the All Students Achieve Program—Summer School Program (ASAP-SSP) for children exiting grades one to four with low achievement in reading and/or mathematics. Eight Regional Literacy Training Centers (RLTCs) split another $5 million to provide professional development to support these early literacy efforts, including training in the use of the *Michigan Literary Progress Profile*. For FY 2002, ASAP-LAP funding has been reduced to $43 million, ASAP-SSP has not been funded, and the RLTC funding has been reduced to $2 million. Funding may be used through June 30, 2003, but any funding beyond 2003 is in jeopardy.

**Nebraska** expanded Heads Up! Reading to include more sites and a Spanish language option. The program engaged nearly 500 participants statewide to acquire more knowledge and skills regarding young children's acquisition of early language and literacy.

**New Mexico** appropriated $2 million to the Department of Education for early family literacy programs. This money is to be distributed to eligible school districts through a request for proposals process. The programs will be open to families with limited English proficiency, families at or below poverty, and/or families in Native American communities.

**North Carolina's** Head Start Collaboration Office applied for an additional $25,000 for federal FY 2002 to help fund early literacy efforts. An example of these activities is a collaborative effort between local school districts and Head Start programs to create a Family Literacy Program that can be duplicated in other counties.

The state Head Start Collaboration Office is working with the University of North Carolina's public television station (UNC-TV) to develop a program to help Head Start centers meet the child outcomes framework for early literacy by 2003. UNC-TV would offer educational programs for preschool children in five-minute segments that are designed to simultaneously keep a child's attention and educate.

**Oregon** made a concerted effort to take Early Words, a literacy training program for child care providers piloted in Multnomah County, statewide.

**Pennsylvania** implemented a change to its "Read to Succeed Program," which is designed to provide resources to school districts to improve third grade reading performance. This program now allows school districts to make grants to early childhood providers to expand early literacy efforts.

**South Carolina's** Department of Health and Human Services partnered with the state Department of Education (SDE) to implement, expand, or enhance the child care component of the SDE family literacy programs that offer child care assistance to teen parents completing their education through SDE. The estimated state investment is $510,000. The First Lady initiated Reading with Rachel to promote reading to children

in child care facilities, elementary, and middle schools. The Governor also initiated Middle School Challenge, through which middle school students are invited to the Governor's office to read with him.

**Vermont** expanded the use of AmeriCorps mentors to work with family child care programs regarding early literacy.

**Washington's** State Association of Head Start and the Early Childhood Education and Assistance Program (ECEAP) worked to clarify early literacy activities and incorporate them into the Head Start and ECEAP standards.

**Wyoming** began educating trainers to deliver the "Mother Goose Asks Why" program to every community by September 2001.

# OTHER QUALITY AND SUPPLY INITIATIVES

Access to high quality early childhood settings is vital to ensure that children enter school ready to learn. Whether children are in child care, Head Start, or prekindergarten programs, they should have access to the resources they need for safe and healthy development. States have used the funds available through the Child Care and Development Block Grant to help improve the quality of care available to all children, but research suggests that there is still a long way to go—especially in low-income communities, where high quality care is often scarce.

In addition to the initiatives presented in other chapters, states made investments in a wide array of services and strategies designed to improve the quality of care. These include grants and loans to help programs meet licensing requirements and become accredited, recruitment drives, training of health and mental health consultants to work through resource and referral agencies, expanded use of state Web sites to provide information to parents and providers, public information campaigns, and studies. Several states are working on early learning standards. **California** developed preschool curriculum guidelines for family child care and license-exempt providers, while **Rhode Island** convened a working group to define Early Learning Standards.

Several states took steps that could jeopardize the quality of care available to families. **Iowa** made a significant cut in funds available to its state resource and referral agencies. **Mississippi** pulled $21 million in TANF funds that had supported child care enhancement grants to providers. **Texas** made it more difficult for local workforce boards to invest in efforts to improve the quality of care in their local communities. The state had required that local workforce boards spend at least 4 percent of their funds on quality activities.

In 2001, the state eliminated that requirement. At the same time, the state gave the local boards outcome or performance measures regarding the number of children receiving child care subsidies. As a result, many boards are not able to fund quality activities.

## NEW STATE ACTION 2001: STATE BY STATE DETAILS

**Alaska** is planning changes in the child care system involving its market rate survey, income eligibility, copayment and reimbursement schedules, computer systems, and child care licensing regulations.

**Arkansas** instituted Quality Improvement grants, totaling $500,000 annually, tied to the Quality Approval/State Early Childhood Accreditation. These grants will help programs reach and maintain a higher standard of quality. The state also commissioned a new interim study on financing early care and education, which will lead to new legislation for the 2003 legislative session.

**California** developed "Prekindergarten Learning and Development Guidelines" for center-based programs designed to provide a link to the K–12 system. The state also implemented a program to reimburse centers and family child care for accreditation. In addition, the state is adapting the center-based program guidelines cited above for use by licensed family child care home providers and for license-exempt (kith and kin) care providers. The state also appropriated $300,000 to conduct follow-up research related to the Governor's Restructuring of Child Care (changes planned for the child care subsidy delivery system), $100,000 to develop a plan to evaluate the Kindergarten Readiness Pilot Program, and $157,000 to the Emergency Medical Services Authority to enhance the Child Care Provider First Aid training program.

**Colorado** instituted a training program for health consultants to child care programs and trained over 65 registered nurses.

**Delaware** has begun a baseline quality study using the Clifford and Harms Environmental Rating Scales and a Teacher/Child Interaction scale. The state will assess over 700 classrooms across the state, including infant/toddler, preschool, school-age, and family child care. The results should be available in late spring 2002.

The **District of Columbia** awarded a grant to the District of Columbia Child Care Resource and Referral Agency that is operated by the Washington Child Development Council (WCDC) in an effort to increase accreditation throughout the District. The grant provides accreditation technical assistance and scholarships to pay for accreditation. This year WCDC has mentored a total of eight programs through the process for full accreditation, and several dozen more are in the process of, or have expressed interest in, becoming accredited. WCDC funded nine scholarships for family child care providers applying for NAFCC accreditation.

The District partnered with Morgan State University to complete assessments using the ITERS, ECERS, and SACERS for those

programs that apply for the silver and gold levels in the tiered reimbursement system. The assessments will help expedite the application process for those programs in the subsidy system as they achieve higher levels in the system.

The Office of Early Childhood Development (OECD), in partnership with the National Training Institute for Youth Development from the Academy for Educational Development, offered two 30-hour trainings for Youth workers.

In partnership with the Commission on Mental Health Services (CMHS), OECD sponsored a mental health round table to study providers' needs regarding mental health services for themselves and the children and families they serve. CMHS will plan training and other services for the early care and education community.

**Georgia** expanded the Professional Registry criteria and improved the system for approving trainers. Train-the-Trainer workshops were held around the state. New requirements and standards were established by Advancing Careers through Education and Training (ACET). ACET maintains the statewide professional registry, tracking the professional development credentials and training of child care providers, directors, and trainers.

**Hawaii's** Interdepartmental Council (IDC), part of the Good Beginnings Initiative in Hawaii, has designated a School Readiness Task Force. In September 2001, the IDC approved an extensive list of child safety, health, and readiness outcomes and indicators that all departments will use when designing programs and services. This task force will track progress toward the agreed-upon goals to improve the quality of child care in the state and ultimately to ensure that Hawaii's children enter school ready to succeed and Hawaii's schools are ready for children to enter. The School Readiness Task Force has no official funding except for the grant-in-aid received by the Good Beginnings Alliance. In 2002, the Task Force is recommending the adoption of a definition of school readiness with accompanying strategies for implementation.

**Idaho** doubled the amount of CCDBG quality funds for a total of $114,112 in 2001.

**Indiana** has developed the Web site CarefinderIndiana.org to assist families in locating licensed and registered care as well as accessing information about a provider's licensing status, violations, and any compliance issues. The Web site has generated more demand for licensed care and information on providers and their potential sexual abuse backgrounds.

A new statute authorizes family access to additional information in the State Central Registry regarding a child care provider. A family must obtain consent for release of the information signed by the child care provider.

Indiana has set an operational goal of a 10 percent increase in licensed and accredited programs by June 2003.

**Iowa** cut child care resource and referral by 34 percent ($217,182).

**Kansas** changed its Quality Enhancement grant program by tying the award of such grants primarily to providers working towards accreditation. In this way, child care centers that are pursuing NAEYC (National Association for the Education of Young

Children) or NSACA (National School-Age Care Alliance) accreditation can receive funds they need to make improvements. Kansas worked with both NAEYC and NSACA in early 2001 on developing an "Accreditation Improvement Plan" form and a "Timetable for Obtaining Accreditation" form for providers. Providers can complete these forms, obtain signatures from NAEYC or NSACA, and include the forms in their grant application. The Center also has to complete the timetable form showing how it will move through the 11 steps to achieve accreditation in the following four to five years. NAEYC and NSACA have agreed to work with state officials to help any center locate a "mentor" or "buddy" center to provide support during the accreditation process.

This first year, Kansas intends to make $500,000 available for Quality Extension Grants and estimates it will award 25 to 35 grants, with most ranging between $12,000 to $25,000, which is the maximum amount that will be awarded. Funds are awarded for a 12-month period.

**Maine** has begun a research project to determine the true cost and quality of full-day, full-year center-based child care programs for three- and four-year-olds in the state. It is being directed by Wellesley College under contract with the service center. Trained observers will visit approximately 100 randomly selected centers around the state. This study will give the state a picture of its strengths and the areas in which programs need greater support to provide high quality early care and education.

The Maine Department of Education initiated a program (with a budget of $1.8 million) to encourage and assist child care programs seeking state or national accreditation.

**Massachusetts** funds training in the dynamics of domestic violence, the impact on children, and safe interventions that child care providers can use to assist children and their families. The trainings are made available through the child care resource and referral network and include information about community-based resources for victims of domestic violence.

The state also trains providers who participate in the tiered reimbursement rate initiative to observe quality in their child care environment by using the ECERS, ITERS, SACERS, and FDCRS.

Massachusetts has developed a curriculum to explain supportive child care for social workers in the Department of Social Services.

Massachusetts redesigned its Web site to provide more technical assistance to providers and parents. Two features are an "eligibility wizard" that helps families determine if they are eligible for subsidized child care and a provider search function that helps them locate providers in their area. Licensing forms and technical assistance on topics such as behavior management and literacy also will soon be available on the Web site.

**Mississippi** had previously used an additional $21 million in TANF funds for 174 child care enhancement grants to child care providers. These funds were not available in 2001, resulting in a net loss of funds available to provide quality care in the state for children of TANF recipients and those at risk of needing TANF.

**Montana's** Child Care Provider Grants focus on improving facilities to meet licensing requirements, expanding evening and weekend care, rural care, inclusive care, and after-

school care, and addressing special community needs. The grants are funded in specific categories to assure that all of these areas receive funding.

**Nevada** initiated pilot projects in Southern Nevada that involve having mental health professionals work with child care providers and parents of children with challenging behaviors to increase children's success in child care settings. In addition, pilot projects in the northern part of the state will help child care providers adopt best business practices.

Nevada has formed closer relationships with the Tribes to collaborate on expanding quality and subsidy programs on Tribal land. The Children's Cabinet in northern Nevada has two service agreements with two different tribes for child care support services. These support services include ensuring informal providers are meeting health and safety requirements. The service agreements indicate permission to enter sovereign land.

**New Jersey** provided Preschool Enhancement Funds to Abbott districts for preschool supplies. The state is also trying to connect child care centers with senior care centers through Intergenerational Child Care Funds.

**North Carolina's** Division of Child Development continued its consumer outreach efforts to inform parents of the resources available on its Web site. Smart Start, the state's early childhood initiative that provides resources to communities to strengthen supports for families with young children, developed a new strategy to measure outcomes for children. The new performance-based incentive system contains goals and measures that local partnerships must meet and that will eventually be tied to funding levels. The state legislature also passed legislation increasing the punishment for drug offenses committed at or near a child care facility.

**North Dakota** created a new provider recruitment campaign that involves collaboration between the county licensing agencies and child care resource and referral agencies. The campaign uses an orientation video and links prospective caregivers with technical assistance from the resource and referral agencies on starting a new business.

**Oklahoma** funded a major research project with Oklahoma State University to study the impact of the state's tiered reimbursement program and other indicators on the overall quality of care. The state also placed three nurses to serve as health consultants within resource and referral agencies.

**Oregon's** child care partners sponsored a media campaign focusing on the importance of quality child care. The campaign included a series of five prime time television spots repeated over a six-month period, two live talk show interviews, interactive Web chats, and a revision of the state's informational booklet, "Five Steps to Quality Child Care."

**Pennsylvania** enacted a number of new programs, including parenting education using the "I Am Your Child" videos and curriculum on infant/toddler early learning, with $250,000 of CCDBG funds in the Pennsylvania Department of Education; up to 500 staff in child care, family literacy programs, and family centers will be trained to use these materials with parents. A voluntary nurse-home visitation program will be started with $7.2 million in federal TANF funds. Finally, $4 million in CCDBG

funds will support the HOME program—a home visitation program for parents and children 18 months through four years, helping to enrich their reading and other interactions. Approximately 25 projects will be competitively funded statewide, with the competition open to county child welfare offices, school districts, family centers, family literacy programs, and various other nonprofit organizations.

Through a child care advisory committee, along with a number of work groups, efforts like credentialing and community planning are gaining some traction. Currently, the state is working with these groups to better develop standards for the resource and referral system and to establish a tiered reimbursement system.

**Rhode Island's** Department of Human Services convened a working group to define Early Learning Standards. The proposed standards will address personal and social development, approaches to learning, language development and communication, physical development, creativity and experiences in the arts, and cognitive development. One purpose of the standards is to create expectations for adults and the community about how they can ensure children's success. This aspect of the standards includes addressing the influences on child development; providing families with examples of how to enhance a child's development; providing guidance for teachers and caregivers with regard to curriculum, instruction, and assessment; creating ways to establish continuity between preschools and local elementary schools; and providing communities and policymakers with assistance to assess the effectiveness and impact of investments in early childhood. Using this process will allow the early childhood community to define "readiness" so families, early care and education programs, schools, and communities work together to guarantee that each child is "ready." In Phase II of the Rhode Island Early Learning Standards Project, the Department of Human Services will be providing technical assistance and funds to local communities to implement standards.

**Tennessee** allows programs to apply for Star Quality Enhancement grants of up to $20,000 after they have received a quality rating for participation in the Star Quality Bonus program. The grants may be used to make improvements to the provider's programing, staffing, or physical plant as indicated in the rating improvement plan.

**Texas** authorized the Texas Workforce Commission (TWC) to award one-time grants to the local workforce boards to address quality child care issues. The state also enacted legislation requiring the state to fund a network of child care resource and referral agencies and to study child care needs in the state and make recommendations to the TWC. The state resource and referral network is funded at $1.9 million for the biennium.

Local workforce boards' contracts with the state no longer require an expenditure of 4 percent of child care funds on quality activities. Quality money is being used for direct child care services in many areas of the state, to fund child care programs that exceed minimum licensing standards (now called "Texas Rising Star" providers), care for infants and toddlers, and other types of care, because the funding for subsidies does not come close to meeting the need and the state has a long waiting list.

**West Virginia**, through resource and referral agencies, authorized behavior specialists, with a minimum of a Master's degree in counseling or education, to provide technical assistance on mental health and behavior issues to centers and family child care homes. The state also implemented TRAILS (Traveling Resources and Information Library System) vans. One van is assigned to each resource and referral region and is equipped with books, developmental materials, planning and teaching resources, crayons and paper, gross motor toys, assistive technology devices, and a training specialist. In addition, Family Day Care Mentors will provide supervision to family child care providers so they can participate in the Child Development Specialist Apprenticeship program.

**Wisconsin** started the Early Childhood Centers of Excellence initiative with $7.5 million to provide grants to programs serving a high percentage of low-income children to improve quality, expand services, and offer parent education and training in the surrounding community. Eighteen centers across the state received grants. The University of Wisconsin Extension is conducting a research and evaluation project that will disseminate the results of the grants.

However, the state eliminated funding for the Quality Improvement Grants program, which helped centers become accredited, and the Staff Retention Grants program, to help programs retain qualified staff once the programs have become accredited. As this year's grants are completed, the program will be discontinued in this form. The state took the $2 million from this program and applied it to a pilot program in one county to provide high quality child care.

**Wyoming** created a provider resource manual to give child care providers helpful information about operating a child care facility. The state also awarded $2.6 million in grants to improve the capacity and quality of child care programs.

# PLANNING AND LOCAL INVOLVEMENT

Initiatives to help local communities better plan services for children and families have become increasingly popular across the country. Several states have created state-driven comprehensive early childhood initiatives to design and create state and local partnerships that share power and responsibility and promote local autonomy in deciding how best to spend resources to serve children and families. In some states, local communities have come together without state legislation to do the same. These initiatives hold great promise, but include potential hazards as well.

A new report released in 2001 by the Children's Defense Fund, *Bringing It Together: State Driven Community Early Childhood Initiatives*, reviews state initiatives that spurred increased local involvement in early childhood. It recommends that when creating systems for local communities to come together to plan for children and families, several essential elements must be in place in order for the initiative to reach its full potential. These include significant new funding for planning, implementation and evaluation; collaborative leadership; and reasonable expectations for the initiative.

In 2001, **Alabama** began the process of establishing the Alabama Partnership for Children, a state structure that will support local collaborative efforts. **Kansas** used tobacco settlement funds to implement the Smart Start Kansas program, which promotes local collaboration on early childhood issues. **Missouri** will also use tobacco funds to make community grants available in 2002.

## New State Actions 2001: State by State Details

**Alabama's** Early Learning Commission published the Governor's Early Learning Commission Report—a product of a collaboration among the business community, providers, experts, policymakers, and advocates from other states. The report highlights the early care and education needs of the state's children and offers 45 specific recommendations designed to improve the quality of early learning in the state. The state is also in the process of setting up the Alabama Partnership for Children, a state nonprofit organization that will structure public/private partnerships to support funding efforts. Local Policy Councils for children are conducting needs assessments and creating local nonprofits (similar to North Carolina's Smart Start). In 2003, the state plans to establish a state board responsible for birth-to-age-five programs and the president of this board will sit on the State Children's Policy Council.

**Alaska's** Interdepartmental Council on Early Childhood provides input and advice to the Governor's Children's Cabinet and assists in the development and advocacy of children's programs.

**Arkansas** developed a strategic plan through a collaborative effort of the Division of Child Care and Early Childhood Education and the Arkansas Early Childhood Commission with input from the public at 16 town meetings focusing on early care issues. The strategic plan encompasses a two-year span. An Early Childhood Institute addressing the needs of caregivers working with English as a second language families resulted in the development of local plans.

As a result of the Governor's Public Private Partnership initiative, the state also enacted legislation to establish the Early Care Foundation. This foundation will allow business, parents, employers, and others to donate to the foundation, with the state matching those funds. A third of the funds will be dedicated on a statewide basis to help low-income families pay for child care. Two-thirds of the foundation funding will be available for local communities (where the donations originated) to use for extending accessibility and quality of care. The awarding of these funds will require community collaboration and planning.

**California** funded a coordinated effort between resource and referral programs and Local Planning Councils (child care planning councils in every county) to distribute funds to child care programs not receiving subsidies to provide additional resources to meet the needs of children with disabilities.

**Colorado** established the Child Care Commission to study the status of child care in the state and assess the role of government in addressing financing, quality (including professional development), and accessibility. The Child Care Commission will operate for three years.

**Connecticut's** Department of Social Services (DSS) will establish a new initiative, entitled Early Childhood Data CONNections, to expand and enhance the state's early childhood research and data analysis capability. The initiative will be coordinated in partnership with the Child Health and Development Institute of Connecticut.

DSS has been awarded two grants that will support the initiative. Connecticut has been awarded a three-year research grant from the Child Care Bureau of the U.S. Department of Health and Human Services. This grant will allow Connecticut to partner with academic institutions and others throughout the state to create a network of researchers and data specialists who can work with state agencies to design, conduct, and disseminate research findings that will help inform sound public policy and planning related to early care and education of young children. The funds will also help support work to ensure that the data on young children that are collected by various state agencies are of high quality, easily accessible, and useful for planning and evaluation.

The second grant was awarded by the David and Lucile Packard Foundation. This two-year grant will allow Connecticut to participate along with 13 other states in the national School Readiness Indicators Project. The project takes a broad view of school readiness for children birth to age eight, including health, social and emotional development, cognitive growth, and the family and community supports needed for success. This opportunity will help Connecticut to further advance the work already underway on defining, measuring, and reporting progress on positive outcomes for young children.

**Delaware's** Governor has announced the creation of a panel to advise the state on how to improve Early Care and Education programs, using the vision of "Early Success," a comprehensive plan that was developed several years ago to strengthen Delaware's early childhood system.

The **District of Columbia** Office of Early Childhood Development (OECD) participates on the Children and Youth Interagency Action Team, which serves as the Steering Committee for the Children and Youth Investment Partnership (CYIP). CYIP supports initiatives for youth and brings together a large group of diverse stakeholders throughout the District. One of CYIP's initiatives is T-9, which focuses on putting needed resources in nine of the District's poorest performing public schools.

OECD also works closely with the Mayor's Advisory Committee on Early Childhood Development (MACECD). MACECD is made up of citizens appointed by the Mayor and includes parents, providers, educators, trainers, advocates, researchers, academics, and others with an interest in early childhood.

**Florida** shifted the administration of the state's Partnership for School Readiness from the Governor's office to the Agency for Workforce Innovation. The state also added four members to the Florida Partnership for School Readiness board at the state level, two of whom are from the business community and two of whom are from the provider community (one private child care provider and one faith-based provider).

**Georgia** is attempting to encourage county-based collaboration around early learning with Success by Six and Georgia's Family Connection. GELI (Georgia Early Learning Initiative) has spurred many of these collaborative efforts.

**Hawaii's** legislature approved a Grant in Aid to the Good Beginnings Alliance for $300,000 a year for the biennium (2001–02 and 2002–03), doubling the Alliance's bud-

get. These funds are dispersed by the Department of Human Services and support not only the Alliance but also county coordination of early childhood.

**Idaho's** Department of Health and Welfare established the Idaho Child Care Program Advisory Panel. This statewide panel will assess results and make recommendations to the Child Care Policy Unit. The panel has a maximum of 25 members with two-year terms. The panel will play a large part in helping the Department as they plan early childhood initiatives.

**Indiana** has created the Community Child Care Initiative, a partnership among the Indiana Child Care Fund, Inc., the Indiana Family and Social Services Administration, and communities across the state. This partnership will provide financial assistance to aid local communities in their efforts to develop comprehensive strategies to improve the quality of child care, mobilize the financial resources needed to successfully deploy those strategies, and to demonstrate significantly positive results for Indiana children.

**Iowa** decreased funding available for the Community Empowerment Areas (CEA) School Ready Grants by $1.1 million. Tobacco settlement funds were used as a one-year only investment to make up the shortfall in the CEA program. In 2001, local planning efforts included regional network meetings and additional technical assistance from the state community empowerment team.

**Kansas** encouraged residents in 16 communities across the state to collaborate via the Regional Support Team community mobilization campaign. Interested community members met with a facilitator to learn about early brain research and the ways that businesses, families, and professionals could work together for children. Each group determined its needs and developed a short- and long-term goal with methods for attaining these goals.

The Children's Cabinet is the agency that oversees use of the tobacco settlement funds. For this first year, the Cabinet issued Smart Start Kansas grants using $3 million in settlement funds. Smart Start is designed to enhance and expand existing programs or initiate programs where none exist. These grants are distributed to community partnerships, based upon a community vision for early childhood. In this initial year, seven grants were awarded. Four of these grants included the T.E.A.C.H.® component, a strategy to encourage providers to receive additional training through scholarships and wage incentives.

**Kentucky's** Governor's Early Childhood Initiative created an Early Childhood Authority to assess the state's early childhood needs and approve a 20-year plan for addressing these needs of Kentucky's children. Now in place in each of Kentucky's 120 counties, Local Early Childhood Councils funded by the initiative conducted local assessments and developed plans. Proposals were received from these councils and funds were awarded to implement approved plans for addressing early childhood needs identified by the communities.

**Massachusetts** created the Governor's Commission on School Readiness in February. The Commission was charged with recommending to the Governor how to improve services for children birth to age five and their families to ensure that all children in

the state enter school ready to learn and succeed. The Commission includes the Office of Child Care Services, as well as other government agencies; parents; advocates; businesses; educators; community and religious leaders; legislators; and disabilities, health, and mental health representatives. The Commission presented its findings in November. Recommendations focused on using existing resources rather than relying on new sources of revenue. A cross-agency group has been convened by the Governor's Office and the Executive Office of Health and Human Services to build upon the work of the commission by identifying a standard set of outcome indicators that can be used to measure the effects of implementing the Commission's recommendations.

**Michigan** continues to support the "Ready to Succeed" dialogue, which fosters the development of community plans to improve programs and services for children and their families. In FY 2001, funding was made up of a state grant from the Family Independence Agency and foundation money. This is the last year state funding will be awarded.

**Missouri** plans to implement community grants totaling $1 million when it receives the tobacco settlement payment in April of 2002. The grants will be used to identify and fill gaps in early childhood education at the local level. This effort is still in the planning phase.

**Montana** communities hosted local Future Search efforts to create community early childhood plans as a follow-up to a state Early Childhood Future Search in April 2000. Future Search is a statewide early childhood planning effort now being replicated in local communities.

**Nevada** changed the make-up of the Nevada Child Care Advisory Committee to include a broader range of members, with representation from business (including the hotel, gaming, recreation, and insurance industries), early childhood development, the community college system, universities, the state Department of Education, Head Start, public schools, the government, health care, child care providers, consumers, and tribes.

**North Dakota** implemented the "Growing Futures" five-year visioning plan for early childhood services. Goals include program development, professional development, enhanced collaboration, and increased funding. "Growing Futures'" recommendations include expanding Head Start services, promoting family-friendly work environments, implementing a career development ladder for child care providers, and coordinating the use of existing federal, public, and private financial resources for early care and education services.

**Oklahoma** is modeling the effectiveness of public-private partnerships through a network of 13 communities that are linked through Oklahoma Success by 6.[R] Legislation that would have codified the existence of the Oklahoma Partnership for School Readiness, a statewide, comprehensive, public-private partnership, was tabled until the 2002 legislative session. The private sector has taken the initiative to establish the state-level early childhood partnership while advocating for the legislation. Each of the 13 pilot communities is working to establish local public-private partnerships. With staff support provided by Oklahoma Success by 6,[R] many partners, both from state agencies and the private sector, are providing technical assistance and training for the mobilizing communities.

**Oregon** formed early childhood planning teams in each county throughout the state. These teams partner with local Children and Family Commissions to develop local early childhood plans for children birth through age eight and their families. The Oregon Children's Plan was also expanded statewide and requires local planning for the implementation of a systematic screening for the early detection of potential problems of all first births in the state.

**Pennsylvania** awarded 27 child care local planning grants covering 35 counties to engage communities in a planning process that results in higher quality child care that helps children enter school ready to learn. The final product of the 18-month planning process is to prepare and release a child care planning report that is realistic and has recommendations and time frames for future implementation.

**South Carolina's** Governor issued an executive order that designates the Department of Health and Human Services as the lead agency for coordinating child care and leveraging the state's resources for maximum efficiency.

**Tennessee** initiated the Community and Corporate Child Care Partnership Program, a pilot project to use matching funds with a local community to improve access to quality child care. The state is providing $300,000 in matching funds per year for the next three years, while one pilot community, Anderson County, is supplying $150,000 in matching dollars and $150,000 in in-kind services. The project brings together a local bank, a hospital, a community college, and several community social service agencies to develop and support high quality child care and to improve residents' access.

**Vermont** continues to support early childhood councils and their data collection efforts. The state also supported the implementation of Kids Are Priority One (KAP1), a statewide, grassroots campaign designed to improve the quality, affordability, and availability of early care and education programs.

**Washington** will use Initiative 728 dollars for prekindergarten in local schools. Initiative 728, passed by Washington voters, creates a new academic fund for school districts to use for a variety of efforts that support student success. Funds can be used to start early childhood education and other programs. The state also launched an initiative to build public will and support for early care and education among educators and businesses.

**West Virginia** mandated that all proposals for Educare (the state's early education initiative) include five core partners—Head Start, local Boards of Education, Birth to Three (Part C programs or Early Intervention), child care, and parents. Each locale's effort differs, but financial incentives have brought collaboration to a new level, in order to address accessibility, affordability, and quality. Programs must meet the state's core competencies within six months of being awarded a grant in order to continue receiving funds.

**Wisconsin** stimulated and rewarded local child care initiatives by allowing localities to apply for and receive federal CCDBG matching funds that would otherwise not have been drawn down, as the state matching funds have not been sufficient to fully meet the requirement. Local governments can qualify for the federal CCDBG funds by identifying their own local match and providing a plan for expenditure of funds that is

consistent with federal requirements. Many local efforts at collaboration have produced high quality child care programming. One example of a local collaborative effort involves a technical college, two county agencies, and four school districts coming together to provide health insurance benefits to child care providers serving low-income children.

**Wyoming** released a Request for Proposals for the purpose of developing community partnerships.

# PROMOTING BUSINESS INVOLVEMENT

Given the importance of child care, early education, and school-age care to the success of today's workforce and preparing tomorrow's, it is perhaps surprising that the private sector does not do more to support these critical areas. Parents currently pay the bulk of child care costs; spending by parents accounts for 60 percent of the cost, compared to 39 percent for government, and just 1 percent for business. In contrast, parents contribute only 23 percent toward the cost of a public college education, with government and the private sector paying the rest.[45]

In 2001, states continued to support initiatives to expand business involvement in early care and education. Several states, including the **District of Columbia** and **Rhode Island** helped form public/private partnerships to create new child care centers. **Nebraska** and **Oregon** created tax credits and incentives to encourage businesses to invest in quality child care, but **Nebraska** had to delay implementation due to budget shortfalls.

## New State Action 2001: State by State Details

**Alabama's** Governor appointed the Early Learning Commission, which is comprised of 12 of the state's most prominent business leaders. These business leaders helped create a plan for early learning that could ultimately receive the endorsement of the state's business community. The Alabama Partnership for Children, the corporate infrastructure needed to implement the plan for early learning presented in the commission's report, has been established with the support and leadership of the business community. The CEO of the American Cast Iron Pope Company, who was chairman of the commission, now serves as the president of the Alabama Partnership for Children board.

**Alaska's** resource and referral agencies targeted the business community in an informational campaign regarding child care.

**Arkansas** implemented the Governor's Public-Private Partnership for Early Care—Arkansas Corporate Champions for Children, which presented recommendations for increasing business involvement in the early care arena. As a result of this initiative, the state also enacted legislation to establish the Early Care Foundation. This foundation will allow business, parents, employers, and others to donate to the foundation, with the state matching those funds. A third of the funds will be dedicated on a statewide basis for child care assistance for low-income families. Two-thirds of the foundation funding will be available to local communities where donations originated for the purpose of extending the accessibility and quality of care. The awarding of these funds will require community collaboration and planning. In another effort to promote business involvement, a Governor's Work-Life Award will be designated for businesses that have family-friendly policies.

The **District of Columbia's** Office of Early Childhood Development (OECD) convened several meetings with human resource directors from the private sector to focus on employer-sponsored child care and engage in dialogue with the Southern Institute on Children and Families. Several law firms helped sponsor the meetings and became engaged in supporting other efforts of OECD, including hosting a large forum on meeting the needs of infants and toddlers in the District.

The Penn Quarter Partnership opened in FY 2001 as a downtown child care public/private partnership to provide high quality child care and education for 130 infants through preschool-age children from lower-income families and those who require non-traditional care. Partners include the Washington Post, Host Marriott, the Public Benefit Corporation, and the OECD.

OECD conducted needs assessments throughout the city's government agencies to obtain information about the needs of its employees. The University of the District of Columbia analyzed the assessments. The District currently has four government child care sites with a newly constructed site scheduled to open in April 2002.

OECD also offers a range of services to public and private sector employers. Services include, but are not limited to child care technical assistance, facility design, needs assessment design, and information on the benefits of employee-sponsored child care programs. Pro bono architectural services are available to providers through OECD.

**Georgia** enacted an Early Learning Initiative (GELI) that is a public/private partnership. The Chair of the initiative, who is with Bell South, has become a leading spokesperson for early learning around the state. The GELI board is composed of private and public representatives. GELI has successfully brought in the state Chamber of Commerce, Success By Six, and the Woodruff Foundation as partners and encouraged businesses to contribute to the effort. GELI has raised business and foundation funds to provide a variety of supports directly to child care centers, including facility improvements.

**Hawaii** amended the legislation that established the Good Beginnings Alliance to include a business and a philanthropy

representative in the Interdepartmental Council (IDC), which is composed of state agency directors.

**Idaho's** Department of Health and Welfare established the Idaho Child Care Program Advisory Panel. This statewide panel will assess results and make recommendations to the Child Care Policy Unit. The panel has a maximum of 25 members with two-year terms. It includes members of the Idaho business community, who have already provided ideas on expanding business involvement in early childhood issues.

**Indiana's** Business Partnership specialists have had significant success with the corporate community. As of June 2001, there were 23 new corporate child care programs being established. The specialists will be extremely instrumental in gaining corporate support matches for the new Community Child Care Initiative.

**Kansas'** Request for Proposals for CCDBG funds included a component for employer-sponsored child care. Using funds from this grant, five businesses in the Topeka area pooled their resources and worked with a local child care provider to establish additional infant/toddler slots for their employees and the public.

**Kentucky** brought together a business council to involve businesses in the state in identifying and supporting early childhood needs.

**Maryland** began the planning for a business-led public awareness campaign on early childhood development and education under a grant from the National Governors Association. The team's planning efforts are ongoing.

**Minnesota** distributed information about pre-tax dependent care accounts to 150,000 businesses. Child care resource and referral programs held three child care forums for employers around the state. Employers received information on the range of ways that they can support employees' child care needs, including services available through the resource and referral system. IRS field staff members were also on hand to provide information on tax policies to support family-friendly work environments. As a result of this work, the Bemedji area received funds from a local nonprofit to build on relationships in the employer community.

**Nebraska** passed a business state income tax incentive for investing in early childhood programs. It was to be implemented for years 2001 to 2003 with a two-year extension if a program became nationally accredited within that time. However, during a special session to reduce the state deficit in October/November, the implementation year was put off until 2004.

**Nevada** included business representatives from the hotel, gaming, recreation, insurance, and other industries on its child care advisory committee.

**Oklahoma's** Governor's Task Force on Early Education was directed by several prominent business leaders. The task force issued a final report and the business leaders also helped lobby the legislature for the creation of a coordinating council.

**Oregon's** statewide initiative to conduct work-life training is being developed with the statewide resource and referral system. The state also added two business members to its state Commission for Child Care.

In addition, Oregon extended its employer child care tax credit. The new Pilot Child Care Investment Tax Credit will result in investors receiving more in tax credits than they invested to purchase the child care certificates. The new targeted approach to child care investment is modeled after the Low Income Housing Tax Credit, which gives investors a return on their investment. The funds generated by this financial incentive will be used to increase provider reimbursements without forcing parents to pay higher fees. The focus of the investments will be home- and center-based providers who serve low-income children. Participating providers will be required to obtain a certain level of training and receive regular home visits to ensure the quality of care.

**Rhode Island's** resource and referral agency, Options for Working Parents (a project of the Providence Chamber of Commerce) studied the cost of child care in the downtown area of Providence. In addition, a number of private businesses, including service providers receiving state funding, began meeting as a task force to expand and improve child care in this area of the city.

**South Dakota** held the 2001 Governor's Conference on Economic Development and included a session on "Child Care: It is Our Business." The session featured a board member of Educare Colorado.

**Tennessee** initiated the Community and Corporate Child Care Partnership Program. This pilot project is an attempt to use matching funds with a local community to improve access to quality child care. The state is providing $300,000 in matching funds per year for the next three years while the pilot community, Anderson County, is supplying $150,000 in matching dollars and $150,000 in in-kind services. The project brings together a local bank, a hospital, a community college, and several community social service agencies to develop and support high quality child care and to improve residents' access to this care.

**Utah** recognized the Top Ten Most Family-Friendly Companies for the fourth year in a row. The award is presented at the Annual Department of Workforce Services Employer Conference. Utah has also developed a survey for employers and employees that is completely Web-based. The Office of Child Care has an actively involved advisory committee representing the early care and education community, as well as business.

**Washington**, through the National Governors Association's Moving Public Will Initiative, completed a strategy for enhancing business leaders' commitment to helping build public support for child care and early learning.

**West Virginia's** Department of Health and Human Resources produced literature and public relations materials, which are available to local communities that are working with business partners.

# ADMINISTRATION

A number of states made changes to their administrative structures to improve the overall efficiency and effectiveness of their child care assistance programs. In some cases, the changes will allow the state to better serve families who need help. In others, the changes were made to coordinate services within the government agency or to recognize new priorities within the state.

The administration of the state child care assistance program has an enormous impact on families' ability to get and maintain child care assistance. A new study by the Urban Institute demonstrates that there are many barriers that can prevent a family who wants help from getting and retaining it.[46] To start receiving help and to continue receiving it, families must repeatedly verify that they qualify for assistance. In order to do this, they are often required to appear at their local child care office in person—even if their job does not provide them with the time off needed to keep these appointments. When families do try to recertify and take other steps to comply with requirements, they frequently encounter unresponsive administrative systems. In many cases, staff are not available to take and review parents' applications or answer their questions. Families can spend their entire day at the local agency waiting to be seen, repeatedly be placed on hold for long stretches of time when they call their caseworker, or discover that their caseworker never received materials sent by mail.

In difficult economic times, low-income working families face new barriers to finding and maintaining employment. The administration of child care assistance programs should be designed to support their efforts, rather than creating additional obstacles. In **New York**, new legislation is designed to better support the child care needs of families receiving welfare and those leaving welfare.

## New State Action 2001: State-by-State Details

**Alabama's** Child Care Subsidy Program and Child Care Licensing Program were combined into one unit to form the Child Day Care Partnership within the Department of Human Resources. The goal is to increase coordination among the services provided by these two units. Alabama also hired more licensing inspection staff.

**Florida** transferred the following programs to the Agency for Workforce Innovation (AWI): the Florida Partnership for School Readiness, the Child Care Executive Partnership, Child Care Resource and Referral, the Subsidized Child Care Program, the Prekindergarten Early Intervention Program, the Migrant Prekindergarten Program, and the Florida First Start Program. The transfer includes current statutory powers, duties and functions, records, personnel and property, and unexpended funds. The Agency for Workforce Innovation will administer school readiness funds, plans, and policies pursuant to a contract with the Florida Partnership for School Readiness and will submit a unified budget request for all school readiness programs. AWI will also issue instructions to local school readiness coalitions consistent with the plans of the Florida Partnership for School Readiness. AWI intends to prepare a plan for the distribution and expenditure of all state and federal school readiness funds, based upon an equity and performance funding formula.

**Georgia** has reorganized its child care division. In the past, it was under the umbrella of Economic Support Services. It has now become its own section with a new director, who reports directly to the Director of the Division of Family and Children Services. This change is a recognition of the importance and growth of child care in Georgia.

**Indiana** changed its child care voucher delivery system to separate intake and payment. A family will always have a local site for intakes and authorization; a Central Reimbursement Office (CRO) will make the payments. The entire system will be Web-based and will allow for enhanced internal controls, create flexibility in moving funds where needed, and increase the ability to track trends for financial and service need projections.

**Iowa's** internal restructuring of the Department of Human Services allowed for the replacement of social workers with income maintenance workers in the child care subsidy unit. A new state-level infant/toddler coordinator and professional development position was funded by Head Start; the position is housed in the Department of Human Services.

**Louisiana** established a new position in the Division of Administration (Governor's office) for a TANF Coordinator. The TANF Coordinator is responsible for oversight of all TANF funds, which are used to support child care as well as a new prekindergarten initiative.

In **New York**, the Governor signed the seamless child care bill into law. It will require that child care be provided to welfare recipients between breaks in activities; it will eliminate the application requirement when a person leaves financial assistance-related child care and moves on to transitional child care; and it will permit social services districts

to pay for child care for persons attending post-secondary education, so long as they are working 17-½ hours per week. The bill will become effective June 2002.

**Oregon** moved from contracting with 16 individual child care resource and referral agencies to a single contract with the CCR&R network. The network will in turn subcontract with its member organizations. The state increased its funding commitment to resource and referral to nearly double the previous level.

**Rhode Island** redesigned its administrative structure to provide greater access and choice for families. All of the Department of Human Services child care subsidy programs (Family Independence Program, Low Income Child Care, and special purpose programs) were united under the Starting RIght Child Care Assistance Program (CCAP). Under this redesign, automated Web-based enrollment was implemented. This will allow families to enroll in care and change providers at will during their period of eligibility and help DHS staff process eligibility applications more quickly.

**South Dakota's** Office of Child Care instituted online applications for child care assistance, voluntary online billing for child care providers, and email notices to child care providers in lieu of mail. Five hundred providers signed up for the Internet option.

**Texas** passed legislation creating the Office of Early Childhood Coordination within the Health and Human Services Commission for coordinating the delivery of early childhood services, but it has no funding as yet.

**Utah** now administers the Payment to Parent Assisted Child Care Program through the Department of Workforce Services, Office of Child Care. This change will help ensure a more holistic approach to child care issues, allow for a greater focus on quality, and will minimize duplication of services.

**Washington's** Governor consolidated the administration of all child care and early learning programs (except the state prekindergarten program, ECEAP) into one new division within the Department of Social and Health Services. The new Division of Child Care and Early Learning includes child care licensing and policy, as well as subsidies and the Head Start-State Collaboration Project. In July 2001, teens formerly served by the Teen Parent Child Care Program under the Department of Social and Health Services Children's Administration started being served by the Working Connections Child Care Program as part of the new Division of Child Care and Early Learning under the Economic Services Administration.

**West Virginia** added three new staff positions, including a director position, to the Division of Child Care under the Office of Social Services in the West Virginia Department of Health and Human Resources. Prior to this time, the division was not granted status to warrant a director.

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# RELATED PUBLICATIONS

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## General Information

**Key Facts: Essential Information on Child Care, Early Education, and School-Age Care (1999 Edition).** Helen Blank, Karen Schulman, and Danielle Ewen. CDF: November 1999.

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## Advocacy

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Also note that numerous child care factsheets and other child data are available on CDF's website at www.childrensdefense.org

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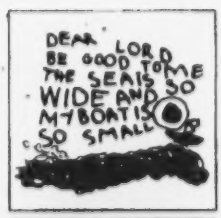
**Donna E. Shalala**
(1980–1993)
Chair from 1992–1993

**Susan P. Thomases**
(1984–2000)

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